# Preliminary Analysis of Nonprofit Provisions

## In the House HEROES Act and Senate HEALS Act

The following chart outlines the provisions in the House-passed HEROES Act and the recently introduced Senate HEALS Act as they relate to the charitable nonprofit community (**Nonprofit America**) as reflected in the new Nonprofit Community Letter, updated July 27, 2020, that signs 4,000 nonprofits from all 50 states. All provisions are subject to ongoing negotiations and should not be considered final until a relief bill is introduced.

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<thead>
<tr>
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<tbody>
<tr>
<td><strong>Tax Provisions</strong></td>
<td><strong>50% reimbursement of unemployment benefits paid by the state to laid-off/furloughed employees of self-insured employers</strong></td>
<td><strong>No provision</strong></td>
<td><strong>75% reimbursement of unemployment benefits paid by the state to laid-off/furloughed employees of self-insured employers</strong></td>
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<tr>
<td><strong>Unemployment Insurance &amp; Self-Insured Employers</strong></td>
<td><strong>New above-the-line deduction (universal or non-itemizer deduction that applies to all taxpayers) for total charitable contributions of up to $300 in 2020</strong></td>
<td><strong>No provision</strong></td>
<td><strong>No provision</strong></td>
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<tr>
<td><strong>Universal Charitable Deduction</strong></td>
<td><strong>Refundable payroll tax credit</strong></td>
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<tr>
<td>Nonprofit Ask 100% federal coverage</td>
<td><strong>Suffer complete or partial shutdown AND gross receipts drop of at least 50%</strong></td>
<td><strong>Suffer complete or partial shutdown AND gross receipts drop of at least 10%</strong></td>
<td><strong>Suffer complete or partial shutdown AND gross receipts drop of at least 25%</strong></td>
</tr>
<tr>
<td><strong>50% credit (up to $5,000) per employee</strong></td>
<td><strong>80% credit (up to $36,000) per employee</strong></td>
<td><strong>65% credit (up to $19,500) per employee</strong></td>
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</tr>
<tr>
<td>1. Under 100 – all employees</td>
<td>o Under 100 – all employees</td>
<td>o Under 500 – all employees</td>
<td>o Under 500 – all employees</td>
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<tr>
<td>2. Over 100 – only employees not able to work due to closure</td>
<td>o Over 100 – only employees not able to work due to closure</td>
<td>o Over 500 – only employees not able to work due to closure</td>
<td>o Over 500 – only employees not able to work due to closure</td>
</tr>
<tr>
<td>Cannot take ERTC and PPP loans</td>
<td><strong>50% credit for fixed costs (similar to PPP loan forgiveness rules)</strong></td>
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<tr>
<td><strong>Employee Retention Tax Credit</strong></td>
<td><strong>Able to take ERTC and PPP</strong></td>
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<tr>
<td>Nonprofit Ask Expand the Employee Retention Tax Credit to help nonprofits retain employees, scale service delivery, and create new jobs</td>
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1001 G Street NW, Suite 700 East | Washington, DC 20001 | (202) 962-0322 | www.councilofnonprofits.org | @NatCouncilNPs
| Loan Programs | Reopening Tax Credits | • No provision | • No provision | • Safe and Healthy Work Credit  
| | | | | • Refundable payroll tax for costs of personal pr  
| | | | | equipment, testing, wo  
| | | | | reconfiguration, and ot  
| | | | | • Capped at $1,000 per  
| | | | | smaller employees (< 1)  
| | | | | and $500 per employe  
| | | | | employers (> 1,000 wc  
| PPP Eligibility | • Charitable nonprofits with 500 or  
| Nonprofit Ask | fewer employees (counting each  
| | individual – full time or part time  
| | and not FTEs)  
| | • Affiliation rule aggregates workers  
| | at separate affiliates of certain  
| | nonprofits to count toward the 500-  
| | employee cap  
| PPP Loan Amount | • Removes the 500-employee cap;  
| | includes all 501(c) orgs.; special  
| | restrictions on 501(c)(4)s  
| | • Eliminates SBA affiliation rule for  
| | nonprofits  
| | • 25% set-aside for nonprofits; half  
| | for nonprofits with fewer than 500  
| | employees, half for those with more  
| | • Extended covered period to  
| | 12/31/2020  
| PPP Loan Forgiveness | • Available if use funds to maintain  
| | payroll for 8-week period; SBA  
| | imposed 75% payroll rule  
| | • Reverses Treasury restrictions on  
| | non-payroll expenses, sets 5-year  
| | maturity, and mandates deferment  
| | of payments for 1 year  
| | • Eligible expenses include personal  
| | protective equipment  
| PPP Second Round | • No provision | • No provision | • Eligible expenses include protective equipment  
| | | | • Most documentation for loans under $150,000  
| | | | • Borrower picks 8-week forgiveness  
| | | | • Available to employers  
| | | | • Experience 50% drop in receipts measured s  
| | | | 2020 v 2019  
| | | | • Maximum loan $2 milli
<table>
<thead>
<tr>
<th>Mid-Size Loan Program</th>
<th>Other Programs &amp; Provisions</th>
<th>State and Local</th>
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<tbody>
<tr>
<td><strong>Nonprofit Ask</strong></td>
<td>Require the Federal Reserve to quickly finalize Main Street Lending Program for nonprofits that offers a loan forgiveness option</td>
<td><strong>WORK NOW Act</strong> S.3747/H.R.7495</td>
</tr>
<tr>
<td><strong>WORK NOW Act</strong></td>
<td>$50 billion grant program promoting nonprofit employment, run through state &amp; local governments and infrastructure nonprofits</td>
<td><strong>Nonprofit Ask</strong></td>
</tr>
<tr>
<td><strong>Liability Protections</strong></td>
<td>No provision</td>
<td></td>
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<tr>
<td><strong>State and Local</strong></td>
<td>Appropriated $150 billion in Coronavirus Relief Funds for state, territorial, local, and tribal governments</td>
<td><strong>Appropriates $875 billion for state and local governments</strong></td>
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<td><strong>Funds for State and Local Governments</strong></td>
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