

## **Questions & Answers about the CARES Act:**

- Questions and Answers from Congressman Lance Gooding regarding the CARES Act

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### **INDIVIDUALS**

**Q: *Does this bill provide individuals more compensation on Unemployment Insurance than they receive via employment?*** A: The enhanced UI is designed to keep as many as whole as possible. Some may temporarily receive more benefit than previous payment – though that number is very small relative to the number of people who will be filing UI claims in next few weeks.

Right now, states pay between \$250-500/week in unemployment and they base it on a percentage of a worker's paycheck, usually between 1/3 to 1/2 of prior earnings. An additional \$600 will put some workers at or just above their usual paycheck – this increase only lasts until July 31st. Additionally, the worker must have been laid off by their employer, so they can not voluntarily "opt-in" by quitting. The main point of the overall bill is to provide a lifeline to small businesses, so they don't have to lay people off in the first place. Without this bill, the UI problem will be magnitudes worse.

**Q: *Unemployment Insurance – are the self-employed, gig workers, and contractors eligible?*** A: Yes, the bill expands unemployment benefits to cover more workers including self-employed and independent contractors, like gig workers and Uber drivers, who do not usually qualify for unemployment. Overall, the bill provides \$250 billion in funding for expansion of unemployment benefits, the largest increase ever.

### **SMALL BUSINESS**

**Q: *Are businesses that employ more than 500 employees across multiple locations eligible for the Paycheck Protection Program at each individual location?*** A: A business is generally eligible for the Paycheck Protection Program if it is a for-profit business, 501c3, or 501c19 (veterans organization) nonprofit with fewer than 500 employees. There are a few exceptions. Businesses in the accommodation and food service industry (assigned a North American Industry Classification System code beginning with 72) with more than one location, a business could also be eligible at the store and location level if the store employs fewer than 500 workers. In other words, each store location could be eligible.

Previous Senate drafts required the accommodation and food service industry business to have less than \$500 million in gross receipts to be eligible. This \$500 million requirement has been removed from the Senate's final bill. Lastly, if franchisors that appear in the SBA's National Franchise Directory, assistance will extend down to the franchisee at the store or location level.

#### **Section 1102. Paycheck Protection Program**

- Includes sole-proprietors, independent contractors, and other self-employed individuals as eligible for loans.
- Applies current SBA affiliation rules to eligible nonprofits.
- Increases the maximum loan for a SBA Express loan from \$350,000 to \$1 million through December 31, 2020, after which point the Express loan will have a maximum of \$350,000.

### **DISTRESSED INDUSTRIES**

**Q: *Does the bill provide any regulatory relief to the trucking industry?*** A: The CARES Act includes language requested by the Department of Transportation (DOT) to clarify state authority to issue special permits for increased truck weight. Under either a "major disaster" or "emergency," states can issue special permits for heavier trucks to deliver relief supplies. This ensures the validity of state-issued special permits