To amend the Relief for Workers Affected by Coronavirus Act to extend Federal Pandemic Unemployment Compensation and improve short-time compensation programs and agreements, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JUNE 25, 2020

Mr. VAN HOLLEN (for himself, Mr. MERKLEY, Mr. MURPHY, and Ms. BALDWIN) introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend the Relief for Workers Affected by Coronavirus Act to extend Federal Pandemic Unemployment Compensation and improve short-time compensation programs and agreements, and for other purposes.

1  Be it enacted by the Senate and House of Representa-
2  tives of the United States of America in Congress assembled,
3  
4  This Act may be cited as the “Rebuilding Main Street
5  Act of 2020”.


SEC. 2. EXTENSION OF FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION.

(a) In General.—Section 2104(e)(2) of the Relief for Workers Affected by Coronavirus Act (contained in subtitle A of title II of division A of the CARES Act (Public Law 116–136)) is amended by striking “July 31, 2020” and inserting “December 31, 2020”.

(b) Application to Short-Time Compensation Programs and Agreements.—Section 2104(i)(2) of the Relief for Workers Affected by Coronavirus Act (contained in subtitle A of title II of division A of the CARES Act (Public Law 116–136)) is amended—

(1) in subparagraph (C), by striking “and” at the end;

(2) in subparagraph (D), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(E) short-time compensation under section 2108 or 2109.”.

SEC. 3. IMPROVEMENTS TO FINANCING OF SHORT-TIME COMPENSATION.

(a) States With Programs in Law.—Section 2108 of the Relief for Workers Affected by Coronavirus Act (contained in subtitle A of title II of division A of the CARES Act (Public Law 116–136)) is amended—

(1) in subsection (a)—
(A) in paragraph (1), by striking “paragraph (3)” and inserting “paragraphs (3), (4), and (5)”; and

(B) by striking paragraph (3) and inserting the following:

“(3) LIMITATIONS ON PAYMENTS.—No payments shall be made to a State under this section for short-time compensation paid to an individual by the State during a benefit year in excess of 26 times the amount of regular compensation (including dependents’ allowances) under the State law payable to such individual for a week of total unemployment.

“(4) SEASONAL, TEMPORARY, OR INTERMITTENT EMPLOYMENT.—Payments may be made to a State under this section for benefits paid to an individual by the State under a short-time compensation program if such individual is employed by the participating employer on a seasonal, temporary, or intermittent basis, and any reduction in such individual’s hours is due to circumstances related to the coronavirus disease 2019 (COVID–19) pandemic.

“(5) AUTHORITY FOR STATES WITH PROGRAMS IN LAW TO TEMPORARILY ADJUST LIMITS ON WORK-WEEK REDUCTION AND PERMITTING REHIRING.—
“(A) IN GENERAL.—For purposes of making payments under this section, in the case of a State whose State law provides for the payment of short-time compensation under a short-time compensation program that meets the definition of such a program under section 3306(v) of the Internal Revenue Code of 1986—

“(i) paragraph (2) of such section 3306(v) shall be applied by inserting ‘or the employer rehires employees or brings back employees from furlough at reduced hours’ after ‘layoffs’;

“(ii) paragraph (3) of such section 3306(v) shall be applied by striking ‘60 percent’ and inserting ‘80 percent’; and

“(iii) paragraph (7) of such section 3306(v) shall be applied by inserting ‘, or who is rehired or brought back from furlough at reduced hours under the program,’ after ‘under the program’.

“(B) LIMITATION.—The modifications to such section 3306(v) under clauses (i), (ii), and (iii) of subparagraph (A) shall only apply during the period for which this section is applicable.”;
(2) by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively; and
(3) by inserting after subsection (c) the following:

“(d) RESTRICTION ON CHARGING OF FEDERALLY REIMBURSED SHORT-TIME COMPENSATION BENEFITS.—
Beginning on the date of enactment of this subsection, a State receiving payments under this section may not increase experience rated State unemployment taxes, or require reimbursement for benefit costs, due to short-time compensation benefits paid on or before December 31, 2020.”.

(b) FEDERAL-STATE AGREEMENTS.—

(1) Application of section 3306 of the internal revenue code of 1986.—Section 2109(b)(1) of the Relief for Workers Affected by Coronavirus Act (contained in subtitle A of title II of division A of the CARES Act (Public Law 116–136)) is amended by inserting before the period at the end “except that paragraphs (2), (3), and (7) of such section 3306(v) shall be applied under an agreement under this section in the same manner as such paragraphs are applied under section 2108 pursuant to clauses (i), (ii), and (iii) of paragraph (5)(A) of such section”.

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(2) Expansion of Financing for Short-Time Compensation.—

(A) In General.—Section 2109 of the Relief for Workers Affected by Coronavirus Act (contained in subtitle A of title II of division A of the CARES Act (Public Law 116–136)) is amended—

(i) in subsection (b), by striking paragraphs (2) and (3) and inserting the following:

“(2) Limitations on Plans.—A short-time compensation plan approved by a State shall not permit the payment of short-time compensation to an individual by the State during a benefit year in excess of 26 times the amount of regular compensation (including dependents’ allowances) under the State law payable to such individual for a week of total unemployment.

“(3) Seasonal, Temporary, or Intermittent Employment.—Payments may be made to a State under this section for benefits paid to an individual by the State under a short-time compensation plan if such individual is employed by the participating employer on a seasonal, temporary, or intermittent basis, and any reduction in such individual’s
hours is due to circumstances related to the coronavirus disease 2019 (COVID–19) pandemic.”;
and

(ii) in subsection (c)(1)(A), by striking “one-half” and inserting “100 percent”.

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall take effect as if included in the enactment of such section 2109.

(3) RESTRICTION ON CHARGING OF FEDERALLY REIMBURSED SHORT-TIME COMPENSATION BENEFITS.—Section 2109 of the Relief for Workers Affected by Coronavirus Act (contained in subtitle A of title II of division A of the CARES Act (Public Law 116–136)) is amended—

(A) by redesignating subsection (f) as subsection (g); and

(B) by inserting after subsection (e) the following:

“(f) RESTRICTION ON CHARGING OF FEDERALLY REIMBURSED SHORT-TIME COMPENSATION BENEFITS.—Beginning on the date of enactment of this subsection, a State receiving payments under this section may not increase experience rated State unemployment taxes, or re-
quire reimbursement for benefit costs, due to short-time compensation benefits paid on or before December 31, 2020.”.

(c) Federal Website and Common Application for Short-Time Compensation.—Title IX of the Social Security Act (42 U.S.C. 1101 et seq.) is amended by adding at the end the following:

“SEC. 912. SHORT-TIME COMPENSATION COMMON APPLICATION AND WEBSITE.

“(a) Federal Short-Time Compensation Common Application.—

“(1) IN GENERAL.—Not later than 30 days after the enactment of this section, the Secretary of Labor shall establish and maintain an internet-based Federal short-time compensation common application through which an employer may apply to the short-time compensation program of any State (including multiple States at the same time) that has adopted such common application.

“(2) USE OF MODEL LANGUAGE.—The Secretary of Labor shall establish the common application under paragraph (1) based on the model language developed pursuant to section 2165 of the Middle Class Tax Relief and Job Creation Act of 2012.
“(b) Federal Short-Time Compensation Website.—Not later than 30 days after the enactment of this section, the Secretary of Labor shall establish and maintain a publicly available internet website—

“(1) through which an employer may obtain information about any short-time compensation program available in the State in which the employer operates, including a program under sections 2108 through 2110 of the Relief for Workers Affected by Coronavirus Act (contained in subtitle A of title II of division A of the CARES Act); and

“(2) that provides information about and access to the Federal short-time compensation common application, as established in subsection (a).”.

SEC. 4. IMPROVEMENTS TO GRANTS FOR SHORT-TIME COMPENSATION PROGRAMS.

(a) Existing Grants.—Section 2110 of the Relief for Workers Affected by Coronavirus Act (contained in subtitle A of title II of division A of the CARES Act (Public Law 116–136)) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting “or enter into an agreement under section 2109 to provide” after “enact”; and
(B) in paragraph (3), by striking subparagraph (B) and inserting the following:

“(B) CLARIFICATION.—A State administering a short-time compensation program that does not meet the definition of a short-time compensation program as defined in subsection (i)(2) shall not be eligible to receive a grant under this section until such time as the State provides for payments under a short-time compensation program that meets such definition.”;

(2) in subsection (b), by striking paragraph (1) and inserting the following:

“(1) AMOUNT.—

“(A) IMPLEMENTATION AND IMPROVEMENT.—Subject to subparagraph (C), the maximum amount available for making grants under subsections (a) (1) and (2) to a State that administers a short-time compensation program shall be equal to the amount obtained by multiplying $150,000,000 (less the amount used by the Secretary under subsection (e)) by the same ratio as would apply under subsection (a)(2)(B) of section 903 of the Social Security Act (42 U.S.C. 1103) for purposes of deter-
mining such State’s share of any excess amount (as described in subsection (a)(1) of such section) that would have been subject to transfer to State accounts, as of October 1, 2019, under the provisions of subsection (a) of such section.”;
(3) in subsection (e)—
(A) in paragraph (3), by inserting “or agreement” after “the State law”; and
(B) in paragraph (4)(B), by inserting “(other than pursuant to an agreement under section 2109)” after “short-time compensation program”; 
(4) in subsection (g), by striking “$100,000,000” and inserting “$200,000,000”; and
(5) in subsection (i)(2), by inserting before the period at the end “, except that paragraphs (2), (3), and (7) of such section 3306(v) shall be applied under this section in the same manner as such paragraphs are applied under section 2108 pursuant to clauses (i), (ii), and (iii) of paragraph (5)(A) of such section”.

(b) ADDITIONAL FUNDING FOR STATES WHO STREAMLINE PROGRAM GUIDELINES.—Section 2110 of the Relief for Workers Affected by Coronavirus Act (con-
tained in subtitle A of title II of division A of the CARES Act (Public Law 116–136)) is amended—

(1) in subsection (a)—

(A) by redesignating paragraph (3) as paragraph (4);

(B) by inserting after paragraph (2) the following:

“(3) For streamlining program guidelines.—The Secretary shall award grants to States that are eligible and submit plans for a grant under paragraph (1) for such States that streamline the short-time compensation program guidelines of the State, such as—

“(A) allowing an employer to provide an eligibility certification on behalf of the employees of the employer on a weekly basis;

“(B) allowing an employer to rehire an employee or bring back an employee from furlough at reduced hours, pursuant to the modifications described in section 2108(a)(5)(A) and section 2109(b)(1);

“(C) relaxing any State limitation on short-time compensation hour reduction to match the maximum percentage permitted under section 3306(v)(3) of the Internal Rev-
enue Code of 1986, pursuant to the modifications described in section 2108(a)(5)(A) and section 2109(b)(1); or

“(D) accepting employer applications submitted using the Federal short-time compensation common application established under this Act.”; and

(C) in paragraph (4)(A), as redesignated by subparagraph (A), by striking “and (2)” and inserting “, (2), and (3)”;

(2) in subsection (b)—

(A) in paragraph (1), as amended by subsection (a)(2), by adding at the end the following:

“(B) STREAMLINING PROGRAM GUIDELINES.—Subject to subparagraph (C), the maximum amount available for making grants under subsection (a)(3) to a State shall be equal to the amount obtained by multiplying $50,000,000 (less the amount used by the Secretary under subsection (e)) by the same ratio as would apply under subsection (a)(2)(B) of section 903 of the Social Security Act (42 U.S.C. 1103) for purposes of determining such State’s share of any excess amount (as de-
scribed in subsection (a)(1) of such section) that would have been subject to transfer to State accounts, as of October 1, 2019, under the provisions of subsection (a) of such section.

“(C) SPECIAL RULE FOR FEDERAL-STATE AGREEMENTS.—In no case may the total of all grants made under this section to a State administering a short-time compensation program pursuant to an agreement under section 2109 exceed $1,000,000.”; and (B) by striking paragraph (2) and inserting the following:

“(2) AMOUNT AVAILABLE FOR DIFFERENT GRANTS.—

“(A) GRANTS FOR IMPLEMENTATION OR IMPROVED ADMINISTRATION OR FOR PROMOTION AND ENROLLMENT.—Of the maximum incentive payment determined under paragraph (1)(A) with respect to a State—

“(i) one-third shall be available for a grant under subsection (a)(1); and

“(ii) two-thirds shall be available for a grant under subsection (a)(2).

“(B) GRANTS FOR STREAMLINING PROGRAM GUIDELINES.—Of the maximum incentive
payment determined under paragraph (1)(B) with respect to a State, 100 percent shall be available for a grant under subsection (a)(3).”; (3) in subsection (c)— (A) in paragraph (1), by striking “or (2)” and inserting “, (2), or (3)”;
  (B) in paragraph (2), by striking “or (2) (or both)” and inserting “, (2), or (3) (or each paragraph)”;
  and
  (C) in paragraph (4), in the matter preceding subparagraph (A), by striking “or (2)” and inserting “, (2), or (3)”;
(4) in subsection (d), in the matter preceding paragraph (1), by inserting “, the streamlining of guidelines for such programs,” after “administration of such programs”; and
(5) in subsection (f), in the matter preceding paragraph (1), by striking “or (2)” and inserting “, (2), or (3)”.

SEC. 5. REBUILDING MAIN STREET GRANT PROGRAM.

(a) In General.—Not later than 30 days after the date of enactment of this Act, the Secretary shall establish a program to provide grants to any eligible employer to help ensure that such employer remains in operation while
its employees continue working reduced hours pursuant to a short-time compensation program.

(b) APPLICATION.—Any eligible employer seeking to receive a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(c) AMOUNT OF GRANT.—

1. In general.—For each calendar quarter ending after the date on which the application has been approved for an eligible employer under subsection (b) and ending before January 1, 2022, the Secretary shall provide a grant to such employer in an amount equal to the applicable percentage of the eligible costs paid or incurred by such employer for the preceding calendar quarter.

2. Applicable percentage.—

   (A) in general.—For purposes of this subsection, the applicable percentage for any calendar quarter shall be the amount equal to—

   (i) in the case of an eligible employer described in subclause (I) of subsection (f)(1)(A)(i), 50 percent, as reduced (but not below zero) by 2 percentage points for each percentage point by which the reduction in gross receipts of the eligible em-
ployer for such quarter is less than 50 percent; or

(ii) in the case of an eligible employer described in subclause (II) of such subsection, 50 percent.

(B) REDUCTION IN GROSS RECEIPTS.—

(i) IN GENERAL.—With respect to any calendar quarter, the reduction in gross receipts for such quarter is the amount (expressed as a percentage) equal to the quotient of—

(I) gross receipts of the eligible employer for such quarter; and

(II) gross receipts of the eligible employer for the same calendar quarter during the preceding calendar year.

(ii) NEW EMPLOYERS.—In the case of an eligible employer which was not carrying on a trade or business (or, in the case of an organization exempt from taxation under section 501(a) of the Internal Revenue Code of 1986, which was not carrying on activities related to the purpose or function constituting the basis of the orga-
nization’s exemption under such section) during the same calendar quarter in the preceding calendar year, clause (i)(II) shall be applied by substituting “the first calendar quarter of 2020” for “the same calendar quarter during the preceding calendar year”.

(3) Exclusion for failure to comply with public health orders.—A grant shall not be provided to an eligible employer for any calendar quarter in which such employer has been determined by a State or local government agency with appropriate jurisdiction over such employer to have failed to carry out its operations in compliance with any applicable State or local public health order or requirement and has provided notice to the Secretary of such failure to comply with such order or requirement.

(4) Limitation.—The cumulative amount of any grants which may be provided to an eligible employer under this section for all calendar quarters shall not exceed $300,000.

(5) Information regarding eligible costs.—For purposes of determining the amount of the grant to be provided for each calendar quarter
under this subsection, an eligible employer shall pro-
vide the Secretary such information as is deemed
necessary by the Secretary.

(d) No Reduction in Loan Forgiveness for
Paycheck Protection Loans.—Section 1106(d) of the
CARES Act (Public Law 116–136), as amended by sec-
tion 3(b)(2) of the Paycheck Protection Program Flexi-
bility Act of 2020 (Public Law 116–142), is amended by
adding at the end the following new paragraph:

“(9) No reduction in forgiveness based
on work-sharing plan.—The amount of forgive-
ness of a covered loan made to an eligible recipient
under this section shall not be reduced based on a
reduction relating to salary and wages under para-
graph (3) if the eligible recipient elected to provide
reduced work hours to full-time equivalent employees
of the eligible recipient pursuant to a short term
compensation program, as defined in section 3306(v)
of the Internal Revenue Code of 1986, including any
short-time compensation plan approved by a State
pursuant to section 2109(b)(1).”.

(e) No Reimbursement.—Any expense paid by an
eligible employer with proceeds from a loan made under
section 7(a)(36) of the Small Business (15 U.S.C.
636(a)(36)) shall not be eligible for reimbursement under
the program established under this section.

(f) DEFINITIONS.—For purposes of this section—

(1) ELIGIBLE EMPLOYER.—

(A) IN GENERAL.—The term “eligible em-
ployer” means any entity (including any organi-
zation exempt from taxation under section
501(a) of the Internal Revenue Code of
1986)—

(i)(I) for which the reduction in gross
receipts (as determined under subsection
(c)(2)(B)) for the most recent calendar
quarter ending before the date on which
such entity submitted an application under
subsection (b) is not less than 25 percent;

or

(II) which—

(aa) had less than 20 employees
during the period described in clause
(i) of subparagraph (B);

(bb) had less than $1,500,000 in
annual gross receipts (as determined
under clause (ii) of such subpara-
graph); and
(cc) as part of their application under subsection (b), has made a good faith certification that the uncertainty of current economic conditions makes necessary the grant request to support the ongoing operations of such entity; (ii) which has elected to provide reduced work hours to employees pursuant to a short-time compensation program; and (iii) which is not—

(I) a hedge fund or a private equity fund, as defined in section 13(h) of the Bank Holding Company Act of 1956 (12 U.S.C. 1851(h));

(ii) a corporation the stock of which is publicly traded; or

(III) a publicly traded partnership (as defined in section 7704(b) of the Internal Revenue Code of 1986).

(B) Rules for certain employers.—

(i) Employees.—The period described in this clause shall be, at the election of the entity—
(I) the period beginning on February 15, 2019, and ending on June 30, 2019; or

(II) the period beginning on January 1, 2020, and ending on February 29, 2020.

(ii) GROSS RECEIPTS.—

(I) IN GENERAL.—For purposes of subparagraph (A)(i)(II)(bb), annual gross receipts shall be determined based on information provided for the most recent taxable year for which a tax return has been filed by the entity (including, in the case of an organization exempt from taxation under section 501(a) of the Internal Revenue Code of 1986, a return required under section 6033 of such Code).

(II) NEW EMPLOYERS.—With respect to the taxable year described in subclause (I), in the case of an entity which was not carrying on a trade or business (or, in the case of an organization exempt from taxation under section 501(a) of the Internal Rev-
enue Code of 1986, which was not carrying on activities related to the purpose or function constituting the basis of the organization’s exemption under such section) during the entirety of such taxable year, annual gross receipts shall be determined on an annualized basis.

(III) Organization exempt from filing.—For purposes of subclause (I), in the case of an organization exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 which is exempt from filing a return pursuant to section 6033(a) of such Code, such organization may submit to the Secretary (in such form and manner as is deemed appropriate by the Secretary) any information required to determine the annual gross receipts of such organization for purposes of subparagraph (A)(i)(II)(bb).

(C) Aggregation rule.—All persons which are treated as a single employer under
subsections (a) and (b) of section 52 of the Internal Revenue Code of 1986 shall be treated as a single eligible employer for purposes of this section.

(2) **ELIGIBLE COSTS.**—

(A) **IN GENERAL.**—The term “eligible costs” means the payment or accrual, in the ordinary course of the eligible employer’s trade or business, of—

(i) any covered mortgage obligation, covered rent obligation, or covered utility payment; and

(ii) any costs and expenses necessary to maintain, reopen, and reconfigure the operations of the eligible employer, including costs and expenses related to cleaning, equipment, and other similar expenditures, as defined by the Secretary through such regulations or other guidance as may be appropriate or necessary to carry out the purposes of this section.

(B) **EXCEPTION.**—For purposes of subparagraph (A)(i), the term “eligible costs” shall not include the prepayment of any obligation for a period in excess of a month unless the
payment for such period is customarily due in
advance.

(C) APPLICATION OF DEFINITIONS.—For
purposes of subparagraph (A)(i), the terms
“covered mortgage obligation”, “covered rent
obligation”, and “covered utility payment” shall
each have the same meaning as when used in
section 1106 of the CARES Act.

(3) SECRETARY.—The term “Secretary” means
the Secretary of the Treasury or the Secretary’s del-
egate.

(4) SHORT-TIME COMPENSATION PROGRAM.—
The term “short-time compensation program” has
the same meaning given such term under section
3306(v) of the Internal Revenue Code of 1986, in-
cluding any short-time compensation plan approved
by a State pursuant to section 2109(b)(1) of the Re-
lief for Workers Affected by Coronavirus Act (con-
tained in subtitle A of title II of division A of the
CARES Act (Public Law 116–136)).

(g) REPORTS.—Beginning 90 days after the date of
enactment of this Act, the Secretary shall submit a quar-
terly report to the Committees on Appropriations of the
House of Representatives and the Senate, as well as the
Committee on Financial Services of the House of Rep-
resentatives and the Committee on Banking, Housing, and
Urban Affairs of the Senate, regarding the operations of
the grant program established under this section, includ-
ing—

(1) information regarding the size and geo-
graphic location of eligible employers that have re-
ceived grants; and

(2) demographic information with respect to the
principal owners of such eligible employers.

(h) PUBLIC AWARENESS CAMPAIGN.—The Secretary,
in coordination with the Secretary of Labor, the Secretary
of Commerce, and the Administrator of the Small Busi-
ness Administration, shall conduct a public awareness
campaign, to be carried out through the Minority Business
Development Agency of the Department of Commerce and
women’s business centers (as described in section 29 of
the Small Business Act (15 U.S.C. 656)), to provide infor-
mation and outreach to help underserved businesses par-
ticipate in short-time compensation programs and the pro-
gram established under this section.

(i) APPROPRIATIONS.—Out of any money in the
Treasury not otherwise appropriated, there shall be appro-
 priated such sums as are necessary to carry out the pur-
poses of this section, to remain available until expended.