

The Health, Economic Assistance, Liability Protection and Schools (HEALS) Act. The GOP's Let 'Em Eat Cake Stimulus Plan'

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Global Research, July 28, 2020

Region: [USA](#)

Theme: [Global Economy](#), [Poverty & Social Inequality](#)

On Monday, Senate Majority Leader Mitch McConnell introduced the so-called Health, Economic Assistance, Liability Protection and Schools (HEALS) Act.

It's long on benefitting US business interests, woefully short on helping tens of millions of jobless, homeless, food insecure, and other needy Americans.

Below is what's in it:

\$1,200 for single taxpayers and heads of household, \$2,400 for married couples filing jointly, plus an additional \$500 per child up to age-17 and other dependents in recipient households with no income of their own.

The amount is identical to the months earlier CARES Act adopted in March.

The above amounts apply to singles earning \$75,000 or less, heads of households with income of \$112,500 or less, and married couples earning up to \$150,000.

Scaled down amounts go to households earning up to \$99,000/\$198,000 for married couples.

Amounts received are free from federal and state debt collection — except for past due child support payments.

So-called now expired Federal Pandemic Unemployment Compensation (FPUC) benefit of \$600 weekly to qualified recipients is cut to \$200 through September.

Beginning October 1, this amount would be replaced by 70% of lost wages — combined with state unemployment insurance (UI) up to a maximum of \$500 weekly.

States would be given \$2 billion to upgrade their UI systems — to be more able to handle a surge in claims of over one million weekly for 18 straight weeks.

Companies with 300 or fewer workers that experienced at least a 50% reduction in revenues would get \$190 billion to prevent layoffs — even though CARES Act recipient firms used earlier amounts gotten for other purposes, including executive pay and bonuses.

HEALS Act recipient firms would be able to borrow up to 2.5 times their monthly payroll amounts up to \$2 million.

The amount received would be forgivable if at least 60% of the total is used to pay workers.

The Small Business Administration (SBA) would also be authorized to provide up to \$100 billion in 20-year maturity/1% interest loans to so-called “recovery sector businesses.”

They include firms in low-income areas with 500 or fewer workers who’ve had at least a 50% decline in revenues.

The so-called Employee Retention Tax Credit (ERTC) will increase from 50% on certain wages to 65% for qualified firms.

The HEALS Act would permit the ERTC for firms up to 500 employees on all their wages.

The GOP bill would also temporarily expand the work opportunity tax credit (WOTC) to employers hiring individuals in qualified groups, including COVID-19 unemployment recipients.

A new refundable 50% payroll tax credit of firms’ qualified employee protection expenses would be created, including for COVID-19 testing and personal protection equipment (PPE).

Current federal tax law permits 50% of business meals to be expensed. The HEALS Act increases the deduction to 100%.

\$306 billion would be provided for so-called health-related emergencies, including \$105 billion for schools to reopen in the coming weeks.

Companies, hospitals, and schools would get COVID-19-related liability protection — preventing lawsuits except in cases of gross negligence.

The GOP bill largely excludes aid to states and local governments.

GOP and the Dems so-called Health and Economic Recovery Omnibus Emergency Solutions HEROES legislation are \$2 trillion dollars apart in benefits.

On Monday, Dem House Speaker Pelosi issued a statement saying:

“I call upon the Republican leadership of the House and Senate and representatives of the President to come to the Speaker’s Office and join Leader Schumer and me within a half an hour of releasing their plan today to negotiate and get the job done.”

The GOP bill largely favors business, offering crumbs alone to tens of millions of jobless Americans.

Congress is scheduled to recess on August 7, a week from Friday, leaving around 10 days for Republicans and Dems to resolve major differences in their bills.

At a time of unprecedented hardships to countless millions of US households because of economic collapse not likely to ease any time soon, vital aid is needed to help ordinary Americans get by as long as crisis conditions last.

Note: The GOP HEALS Act omits mention of extending a moratorium on evictions from residences with federal guaranteed mortgages.

It's essential in a final bill to prevent a potential explosion of the nation's homeless.

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