

Courtesy of the Office of Senator Tom Cotton

Coronavirus Response Plan: Cash to Workers, Loans to Businesses

Senator Cotton's plan to fight the virus is based on simple and direct principles: Surge cash to Americans, and make low-interest loans to businesses so they're able to pay their bills. The plan has three parts.

Part One: Surge Cash to Low- and Middle-Income Americans Using Tax-Rebate Checks

Americans who lose shifts or business during the virus emergency will need our help to make ends meet. We ought to rush checks to working- and middle-class Americans and have them in their mailbox in a matter of days, not weeks. The federal government has done this before to shore up the economy, in 2001 and 2008.

- Authorize the Treasury Department to immediately cut a tax-rebate check of \$1,000 for every adult tax filer making less than \$100,000 per year and \$500 for each claimed dependent. Married couples filing jointly that make less than \$200,000 per year would be eligible for a \$2,000 tax-rebate check.
- Eligible filers would receive full rebate checks regardless of tax liability.

Part Two: Surge Cash Using Expanded Eligibility for Federal Assistance Programs

Americans who are sick, quarantined, laid off, furloughed, or otherwise unable to work through no fault of their own will require additional help to make ends meet. Existing federal assistance programs are designed to get resources to people in need, quickly, and Congress should expand eligibility and suspend certain requirements for federal assistance programs. These changes should be temporary and expire at the end of the crisis. These TANF and Unemployment Insurance measures complement the tax-rebate component to deliver progressively more financial assistance to Americans whose livelihoods are most harmed by the virus emergency.

- Temporarily expand eligibility and adjust requirements for public-assistance programs, including Temporary Assistance for Needy Families (TANF) and Unemployment Insurance (UI).
- TANF:
 - Provide block grants to states that temporarily broaden eligibility standards so that their programs apply to any family with children under 18 whose income has been reduced due to coronavirus and that earned less than 400% FPL last year.
 - This new class of eligibility would receive a one-time payment of at least \$500 and no more than \$1,000 per dependent; states to have flexibility within that guidance.
 - Temporarily waive work requirements for eligibility in the interest of public health.
- UI:
 - Provide block grants to states that expand eligibility to cover: 1) cases where an individual's employer temporarily ceases operations due to coronavirus, 2) cases where an individual is quarantined with the expectation of returning to work and is not receiving pay due to the coronavirus emergency, and 3) cases where an individual must stop receiving pay in order to care for family members or dependents due to the emergency.
 - Temporarily suspend requirements to seek work in the interest of public health.

Part Three: Surge Cash to Struggling Businesses Using Low-Interest Loans

In addition to protecting American workers, Congress must support struggling American businesses, so that there are jobs waiting for workers when the crisis passes. Congress has already authorized low-interest emergency loans of up to \$2 million for small businesses suffering from the virus crisis. We ought to increase the caps for these loans, as well as authorize low-interest loans to any business that needs them. Providing liquidity to businesses during the coronavirus crisis is the surest tool we have to prevent a prolonged economic downturn.

- Increase the cap on small-business disaster loans from \$2 million to \$20 million, and fund appropriately.
- Grant low-interest loans to businesses immediately, with increased penalties for fraud.