

# Senate Passes Updated Economic Relief Plan (CARES Act) for Individuals and Businesses

Late Wednesday evening, the Senate passed an updated version of the Coronavirus Aid, Relief and Economic Security (CARES) Act.

[The CARES Act](#) builds on two former pieces of legislation by providing more robust support to both individuals and businesses, including changes to tax policy.

The bill includes:

**Expanded unemployment insurance (UI)** for workers, including a \$600 per week increase in benefits for up to four months and federal funding of UI benefits provided to those not usually eligible for UI, such as the self-employed, independent contractors, and those with limited work history.

**\$350 billion allocated for the Paycheck Protection Program**, which is meant to help small businesses (fewer than 500 employees) impacted by the pandemic and economic downturn to make payroll and cover other expenses from February 15 to June 30. Notably, small businesses may take out loans up to \$10 million—limited to a formula tied to payroll costs—and can cover employees making up to \$100,000 per year.

**Recovery Rebate for individual taxpayers.** The bill would provide a \$1,200 refundable tax credit for individuals (\$2,400 for joint taxpayers). Additionally, taxpayers with children will receive a flat \$500 for each child. The rebates would not be counted as taxable income for recipients, as the rebate is a credit against tax liability and is refundable for taxpayers with no tax liability to offset.