

Nebraska State and Legislative Actions:

Governor Update

Gov. Ricketts began his daily press conference with reminding Nebraskans that the property tax payment deadline of April 1st would not be adjusted. Gov. Ricketts said that these funds are essential to local governments and there is not enough time to make special arrangements in this case.

May 12 Primary

Secretary of State Bob Evnen spoke about the upcoming May 12 primary election in Nebraska. Evnen said polling places would remain open and the primary would go on as planned. Evnen encouraged voters request an absentee or mail-in ballot for the primary. He said there are no requirements in order to vote by mail, and that the Secretary of State office is well stocked with extra ballots and envelopes for the likely influx of mail-in voters. He also announced that the Nebraska Association of County Officials would be working with its members across the state to ensure there are ballot drop-off boxes in every county that currently does not have one. Application forms must be submitted by May 1.

Unemployment

Gov. Ricketts was joined by John Albin, Director of the Nebraska Department of Labor. Gov. Ricketts said that the hospitality and restaurant industries in our state had been hit hard, and over 16,000 people have filed for unemployment insurance this week in Nebraska—a new record for the state. Albin said 40% of those claims have come from people working in the restaurant industry. “We’re hoping by the end of next week we’ll have absorbed the brunt of the claims,” Albin said. Albin warned that the large influx of applications will present some challenges for processing those claims but reminds people to keep filing every week per requirements. A new call center to take unemployment insurance applications is being launched on Monday with 30 staff to handle the surge of calls, as well as address complaints about long waits. Albin encourages people to file online if possible as it is faster. Albin also said that people not eligible for regular unemployment benefits will be eligible for pandemic benefits. Gov. Ricketts encouraged those on unemployment to begin looking for new jobs if possible, as unemployment benefits will eventually end and those with jobs will be better positioned once the outbreak subsides.

Q&A

Gov. Ricketts was asked for clarity on ‘elective’ surgeries and the definition for such surgeries. Ricketts said it would be left up to the healthcare provider to determine but could include procedures such as colonoscopies. Gov. Ricketts said the goal of suspending elective surgeries to maintain personal protective equipment, space for ICUs, and to free up healthcare personnel to help care for coronavirus patients if needed. Bob Evnen was asked if there would be any adjustment for the deadline on ballot initiatives in July, and he said there would be no adjustments.

Broadband Access

On Wednesday, the Nebraska Public Service Commission issued an Order that will allow broadband carriers to seek reimbursement for providing service to low-income families in response to the COVID-19 outbreak. ¹ The order provides for \$1 million to be available through the Nebraska Universal Service Fund in order to “assist carriers in providing low-income subscribers access to broadband to facilitate online learning.” The support will apply to new lines of service added after March 15 and extend through the end of May.

Travel Recommendations

Governor Ricketts issued new guidance on returning travelers to domestic and international locations, excluding commuters to and from Nebraska, in places like Denver, Kansas City, Chicago, and others. Ricketts is encouraging Nebraskans to avoid any unnecessary travel and to self-isolate for 14 days upon return. For more information on this guidance, please click [here](#).

Federal:

CARES Act

Late Wednesday night, the Senate passed phase 3 of its coronavirus response legislation. With a price tag of \$2 trillion, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) is two times the size of the largest economic stimulus package to date, the 2009 Recovery Act. The House of Representatives will take a vote on the bill as soon as today. Here is a thorough breakdown of the CARES Act, thanks to the Nebraska Chamber of Commerce and Industry: ²

Business Provisions

- \$500 billion in loans to eligible businesses
 - Targeted at companies that do not receive adequate relief from other provisions of the bill, located in the U.S. and a predominantly U.S. employee base
 - Must maintain employment levels from March 24, 2020 to September 30, 2020
 - Prohibits stock buybacks, dividend payments and increasing compensation for certain high wage employees
 - \$46 billion set aside for passenger airlines (\$25 billion), cargo air carriers (\$4 billion) and businesses important to national security (\$17 billion)
- \$350 billion in small business loans administered through SBA, called the Paycheck Protection Program
 - Targeted at companies with less than 500 employees or otherwise specified by SBA standards
 - Loans can be used for payroll, mortgages, rent, insurance premiums and utility payments.
 - Up to \$10 million per company available
 - Cannot apply for SBA disaster loan related to COVID 19 and loans under this program at the same time

¹ <https://psc.nebraska.gov/for-consumers/psc-initiates-million-dollar-grant-program>

² <https://files.constantcontact.com/31198439401/0675ed0c-3c5b-444b-bd00-603fea47a560.pdf>

- Loans can be forgiven up to the amount spent by the borrower during the eight weeks from loan origination on payroll costs up to \$100,000 in wages, mortgage interest, rent or utilities
 - Forgiveness is reduced by layoffs or pay reductions in excess of 25%.
 - Forgiveness is not treated as taxable income
- \$24 billion in relief to stabilize the farm economy

Tax Provisions

- Net operating loss carry: Allows companies to use tax losses in 2018, 2019 and 2020 to offset income from the prior five years.
- Increase in Allowable Interest Deductions: The maximum amount of business interest deductions is increased for 2019 and 2020 from 30% of to 50%.
- Payroll Tax Deferral: Allows an employer to defer its share of 2020 payroll tax and pay them over two years.
- Payment of Tax Refunds: Tax reform imposed a one-time tax on earnings held overseas, which could be paid over eight years. The IRS has taken the position that companies cannot receive refunds until the eight-year period is completed. The bill overturns the IRS position.
- Employee Retention Tax Credit: Creation of a new, temporary refundable payroll tax credit for companies who keep workers on their payroll during the COVID 19 pandemic, up to \$5,000 per worker.
- Corporate Alternative Minimum Tax (AMT) Credits: This provision allows companies to accelerate recovery of corporate AMT credits.
- Qualified Improvement Property: Allows companies in retail, restaurants and hotels to write off certain facilities improvements immediately.

Health Care Provisions

- \$150 billion for hospitals and other health facilities
- Supply Chain: Provides permanent liability protections for makers of PPE that are called for public health emergency countermeasures.
- Access: Clarifies no COVID-19 cost sharing for private insurance, requires free vaccine coverage without cost sharing following current vaccine practices guidelines and includes a range of public health measures to address COVID-19 treatment and response, including liability protections for doctors who volunteer.
- Telehealth: Removes barriers and facilitates telehealth services, especially for high-deductible health plans that utilize health savings accounts. Provides \$200 million to boost telehealth services.

Labor Provisions

- Paid Leave: Sets a cap on maximum payments employers will be required to pay for new emergency paid leave requirements. The provision also allows employers to receive an advance tax credit on paid leave rather than having to be reimbursed on the back end.
- Unemployment Insurance: Provides an additional \$600 per week for up to four months on top of state unemployment benefits. The provision also establishes short-term compensation programs for states that allow for employers to reduce workers' hours while still providing employees a pro-rated unemployment benefit.

Individual Provisions

- Individual Rebate Checks: This provision provides checks of up to \$1,200 to single individuals and \$2,400 to married couples (increased by \$500 per child). Check amounts begin to reduce as income exceeds a threshold amount (\$75,000 for individuals/\$150,000 for married filers) and are completely eliminated once income reaches \$99,000 for individuals/\$198,000 for joint filers with no children).
- Distributions from Retirement Plans: Waives the 10% penalty for distributions from certain retirement plans. Only applicable to individuals diagnosed with COVID-19, whose spouse or dependents have been diagnosed or who experience adverse financial consequences from the virus.

Other Provisions

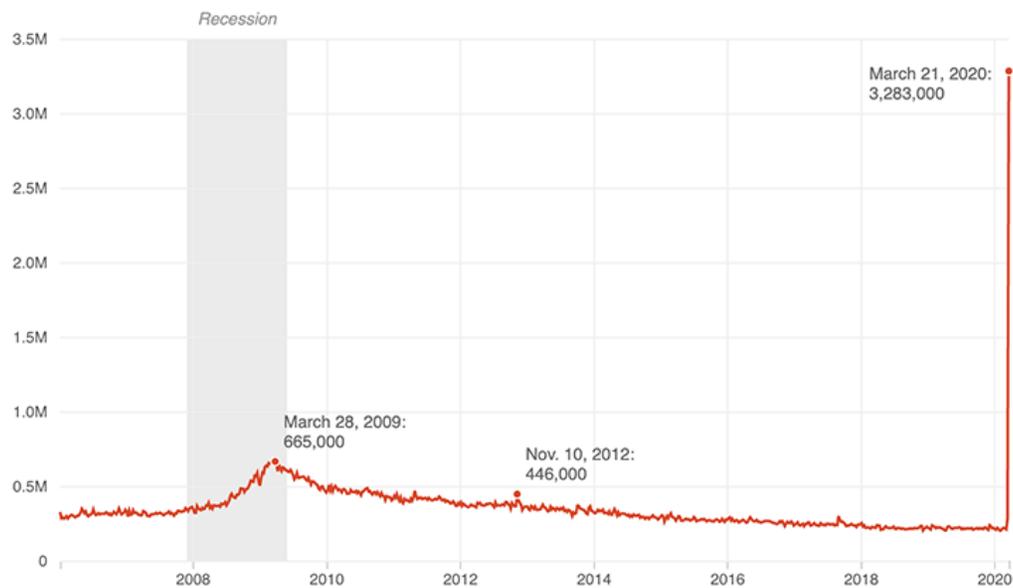
- \$25 billion for food assistance programs
- \$30 billion for emergency education funding for colleges, universities, states and school districts

Unemployment

Last week, 3.28 million Americans have filed for unemployment benefits amid the coronavirus outbreak. "This marks the highest level of seasonally adjusted initial claims in the history of the seasonally adjusted series," the United States Department of Labor said of the latest figure. "The previous high was 695,000 in October of 1982."³

Unemployment Claims Spike During The Coronavirus Crisis

Initial claims filed weekly since Jan. 7, 2006



Source: Department of Labor unemployment insurance weekly claims report (March 26, 2020)

Credit: Connie Hanzhang Jin/NPR



³ https://www.npr.org/2020/03/26/821580191/unemployment-claims-expected-to-shatter-records?utm_term=nprnews&utm_campaign=npr&utm_source=twitter.com&utm_medium=social