



# TaxNewsFlash

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## Legislative update: COVID-19-related legislation unveiled in House, includes tax proposals

The U.S. House of Representatives today unveiled additional COVID-19-related legislation—the “Health and Economic Recovery Omnibus Emergency Solutions Act” (HEROES Act) (H.R. 6800).

The legislation contains a number of tax proposals, including several that would be applicable to businesses, such as:

- A provision that would make the limitation on excess business losses of non-corporate taxpayers permanent, effective retroactive to tax years beginning after 2017.
- A rule that would limit corporations from carrying back 2019 and 2020 net operating losses (NOLs) to years beginning prior to 2018. There would be further limitations on companies that have engaged in stock buybacks or that have paid certain amounts of executive compensation. The rule would be retroactive back to the date of enactment of the CARES Act (March 27, 2020).
- A number of expansions and other modifications would be made to the employee retention credit that was enacted as part of the CARES Act.
- A new payroll tax credit would be made available with regard to certain expenses of employers subject to COVID-19-related closures.

The HEROES Act also includes certain other tax provisions that would apply for individual taxpayers, and would further provide for additional cash payments to be made to individuals.

### Documents

Read [legislative text](#) [PDF 3.78 MB] (1815 pages)

Read a [section-by-section summary](#) [PDF 468 KB] of the proposed legislation, prepared by the Ways and Means Committee staff

Read a [one-page summary](#) [PDF 328 KB] prepared by House Democratic leadership

### **What's next?**

The House could act on the legislation as soon as Friday, March 15. It is possible that modifications might be made to the version of the bill released today before the House votes.

The outlook for the legislation in the Republican-controlled Senate is uncertain.

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