



# TaxNewsFlash

United States



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## Legislative update: House passes COVID-19-related legislation (HEROES Act)

The U.S. House of Representatives today passed a bill (including an adopted managers' amendment)—the "Health and Economic Recovery Omnibus Emergency Solutions Act" (HEROES Act) (H.R. 6800)—that includes measures intended to provide additional tax relief in response to the coronavirus (COVID-19) pandemic.

The vote was mostly along party lines, 208 to 199.

### What's next?

The outlook for the bill in the Senate is uncertain. The White House issued a [Statement of Administration Policy](#) [PDF 401 KB] indicating that if H.R. 6800 were to reach his desk, the president would be advised to veto the bill.

### Overview of tax proposals

H.R. 6800 contains 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 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, also retroactive to the date of enactment 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) as introduced
- Read a [Managers Amendment](#) [PDF 174 KB] (89 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
- Read a revenue estimate of H.R. 6800 prepared by the Joint Committee on Taxation: [JCX-15-20](#)
- Read an updated JCT revenue estimate that includes the scores for retirement-related provisions: [JCX-16-20](#) (released on May 28, 2020)

## Proxy voting

A resolution (H. Res. 965) was approved, authorizing remote voting by proxy in the House of Representatives during the COVID-19 emergency. Read [H.Res. 965](#)

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