
H.R. 6201, Families First Coronavirus Response Act

Tax Credits for Paid Sick and Paid Family and Medical Leave

- H.R. 6201 mandates that all public sector employers, all mid-sized businesses, and small businesses not exempted by the Treasury Department for reasons of financial hardship provide paid family and medical leave through the end of the 2020 calendar year, for which the businesses will receive offsetting refundable tax credits. The mandate may be waived for businesses with less than 50 employees and does not apply to businesses with more than 500 employees.
 - H.R. 6201 would provide refundable 100 percent tax credits to employers to compensate them for the expense of paid sick and family leave that employers must grant to employees under the bill to address employment interruptions related to COVID-19.
 - The tax credits would be administered by the IRS and be creditable against employer-side payroll tax liability, with any excess refunded to the employer.
 - Refundable tax credits similar in scope and amount would be available to self-employed workers.
 - Payments to employees would be taxable income to the employees and subject to employee-side payroll taxes, but not subject to the employer portion of payroll taxes.
 - H.R. 6201 provides that no business will have a liability larger than the credit it receives. The bill also provides the Treasury Secretary with the ability to advance resources to small businesses.
 - The provision sunsets on December 31, 2020.

Payroll Credit for “Qualified Sick Leave Wages”

- H.R. 6201 requires certain employers to provide 80 hours (or 2 weeks) of fully paid leave to full-time employees (pro-rata rules would apply to part-time employees), on top of any other existing paid leave program of the employer, to cover the following employees:
 1. An employee subject to a Federal, State, or local quarantine or isolation order related to coronavirus;
 2. An employee who has been advised by health care provider to self-quarantine due to coronavirus;
 3. An employee who is experiencing symptoms of coronavirus;
 4. An employee who is caring for an individual subject to an isolation order described or who has been advised to self-quarantine;
 5. An employee who is caring for their child because the child’s school is closed or child care provider is unavailable due to coronavirus; or

6. An employee who is experiencing a similar condition specified by the Health and Human Services Secretary.
 - Employers would be required to pay employees their full wages, not to exceed \$511 per day and \$5,110 in the aggregate, for an employee described in (1), (2), or (3) above.
 - Employers would be required to pay employees two-thirds of their wages, not to exceed \$200 per day and \$2,000 in the aggregate, for an employee described in (4), (5), or (6) above.

Payroll Credit for “Qualified Family Leave Wages”

- Employers would also generally be required to provide ten weeks of paid leave to employees who are not working because the employee is caring for their child because the school is closed or child care is unavailable due to a public health emergency. Employers would be required to pay employees two-thirds of their wages, not to exceed \$200 per day and \$10,000 in the aggregate. The Secretary of Labor would have authority to issue regulations to exclude certain health care providers and emergency responders from the qualified family leave provisions.