

DC Tax Flash: Senate Opens Debate on Virus Relief Reconciliation Bill

Tax Alert

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The Senate today began debate on a [modified version](#) of the \$1.9 trillion House-passed virus relief reconciliation bill (H.R. 1319). Underscoring the balancing act needed to get the bill through the Senate, Vice President Harris was needed to break a 50-50 tie vote just to bring the bill to the floor. Her tie-breaking vote will likely be needed throughout consideration of the bill, including roll calls on procedural questions, points of order, amendments and, most importantly, final passage.

Although the Senate just started work, Sen. Ron Johnson (R-WI) has requested a reading of the entire 628-page bill, which is currently underway and could take more than 10 hours. After this technicality, serious debate will commence, with both parties allowed 10 hours of floor time. Hundreds of amendments will be filed, mostly from Republicans. Although the amendment list will be winnowed, it would not be unusual for the Senate to vote on scores of amendments over the next several days. However, most amendment votes will occur in a marathon string of quick roll calls (a so-called "vote-arama") after the 20 hours of debate time has lapsed.

On tax policy, the bill largely follows the House-passed version, with some key changes. Senate Democrats agreed to lower the income thresholds for those who qualify for the \$1,400 relief payments, saving \$12 billion. The Senate bill also includes new language that would, in general, modify [Internal Revenue Code section 162\(m\)](#) to prevent publicly traded companies from deducting the compensation of their ten highest-paid executives. The Joint Committee on Taxation (JCT) says the [provision would raise \\$7.8 billion](#).

Other changes in the Senate bill would further expand the Employee Retention Credit, temporarily suspend taxes on certain forgiven student loan debt, and boost the COBRA premium support from 85 percent in the House bill to 100 percent for certain individuals who lost employment.

- [628-page text of the reconciliation bill](#) now under debate on the Senate floor
- [Senate Budget Committee summary](#)
- [JCT revenue estimate of the bill's tax provisions](#)
- [Text of the House-passed reconciliation bill](#) (including amendments adopted just prior to passage last week)

Miller & Chevalier Coronavirus Task Force

The outbreak of COVID-19 is creating significant business and legal challenges for companies throughout the world. In response to client demand, the firm has formed an interdisciplinary task force to help businesses navigate these issues.

COVID-19 Resource Library

We also maintain a resource library of [legislative responses](#) and [regulatory guidance](#) related to COVID-19.

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