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Senate Passes $2T Package With NOL Changes, Rebate Checks.

The Senate passed an economic aid package that will provide taxpayers with a rebate, temporarily modify provisions of the Tax Cuts and Jobs Act and expand unemployment insurance.

Lawmakers unanimously approved the Coronavirus Aid, Relief, and Economic Security Act (H.R. 748) to send it to the House. The bill is meant as a compromise between Republicans and Democrats and is the product of almost one week of negotiations between the two sides.

Lawmakers announced a deal in the morning of March 25, but negotiations continued throughout the day to nail down language that appeased both sides.

While the tax provisions agreed to by both sides remained largely unchanged, Republican lawmakers were unhappy with language expanding unemployment insurance, arguing that it disincentivized individuals from going to work because they could make more while unemployed.

Sens. Lindsay Graham, R-S.C., Tim Scott, R-S.C., Rick Scott, R-Fla., and Ben Sasse, R-Neb., offered an amendment to change the unemployment provisions to prevent an individual from receiving unemployment compensation that is more than the amount of wages the individual was earning prior to becoming unemployed. The amendment, which required 60 votes for adoption, was defeated 48 to 48.

The bill now heads to the House, where it may run into some problems after some progressive Democrats offered criticism of the bill. But House Speaker Nancy Pelosi, D-Calif., said she intends to approve the bill in the fastest way possible without having to call back all members of the House. The House would be able to approve the bill by unanimous consent if there are no objections on either side or by voice vote, which could see some members travel back but not all.

Senators agreed to roll back a Tax Cuts and Jobs Act provision preventing net operating losses from being carried back to reduce income in a prior year. The provision has been relaxed to allow for losses in tax years 2018 through 2020 to be carried back up to five years.

The bill also provides for individuals making less than $75,000 or married couples earning less than $150,000 to receive a $1,200 direct payment from the IRS, while those with children would get an extra $500 per child.

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