

American Rescue Plan: Direct Assistance for Missourians

The American Rescue Plan (ARP), approved by Congress and signed into law this week, will provide \$1.9 trillion to counteract economic declines related to the Coronavirus pandemic. The bill provides significant direct economic relief for Missourians including:

- Additional stimulus payments of \$1,400 per person
- Tax credits for families with children and low-wage workers
- Extended unemployment benefits
- Lower health insurance premiums
- Food assistance
- Support for renters and homeowners

Stimulus Checks

The American Rescue Plan provides a third round of stimulus payments of up to \$1,400 per person.

- Individuals earning an adjusted gross income (AGI) up to \$75,000 (and married couples earning up to \$150,000) will receive \$1,400 each, plus \$1,400 for each dependent. An eligible family of four will receive \$5,600.
- The amount is phased out for those with higher incomes.

About 90 percent of Missourians will receive stimulus payments totaling an estimated \$7,573,000,000.

The estimated average payment for households receiving a stimulus check is \$2,760.ⁱ

Tax Credits

Child Tax Credit (CTC)

The Child Tax Credit (CTC) helps families offset the costs of raising children. It currently applies to children under 17 years of age, and is only partially refundable.

- The American Rescue Plan temporarily expands the number of families eligible for the full CTC by making the credit fully

Average Payment to Missouri Households Receiving Stimulus Check, Child Tax Credit (CTC), & Earned Income Tax Credit Provisions (EITC) of American Rescue Plan

Average Income	Income Group	Stimulus Payment	CTC	EITC
\$11,700	Poorest 20%	\$2,230	\$4,450	\$800
\$28,500	Second 20%	\$2,530	\$3,580	\$500
\$48,500	Middle 20%	\$2,560	\$2,200	\$540
\$79,300	Fourth 20%	\$3,030	\$2,120	\$770
\$137,200	Next 15%	\$2,830	\$2,020	\$100
\$296,300	Next 4%	\$310	\$1,610	\$0
\$1,363,000	Richest 1%	\$30	\$1,010	\$0

Note: Average Payments for Households Who Are Eligible for Tax Credits Only

Source: Institute of Taxation and Economic Policy

refundable to children in families with low or no income.

- In addition, the amount of the credit is increased from \$2,000 per child to \$3,000 per child (\$3,600 for children under age 6) and extends the CTC to 17 year olds.
- Changes to the CTC would apply to tax year 2021.

An estimated 1,262,000 Missouri kids would benefit from the expanded CTC, with 505,000 kids becoming newly eligible for the full credit.ⁱⁱ

The estimated average payment for households receiving the CTC is \$2,850.ⁱⁱⁱ

The CTC expansion will lift 73,000 Missouri kids out of poverty.^{iv}

Earned Income Tax Credit (EITC)

Currently, the EITC is very limited for low wage earning workers who do not have dependent children at home. Only workers ages 25 to 65 qualify, and the maximum amount of the credit is just over \$500.

- The American Rescue Plan temporarily expands the age range of eligible workers to include adults ages 19-24 (who aren't full-time students) as well as people 65 and over.
- In addition, the maximum EITC for these workers is increased from roughly \$540 to \$1500 and the income cap to qualify is increased from \$16,000 to \$21,000.
- Changes to the EITC would apply to tax year 2021.

An estimated 361,000 Missouri workers would benefit from the EITC expansion.^v

The estimated average credit for newly eligible households receiving the EITC is \$750.^{vi}

Unemployment

The Act extends several critical federal unemployment insurance (UI) benefits (created in March by the CARES act) through September 6th. Additionally, for taxpayers with incomes below \$150,000, the first \$10,200 of UI benefits received in 2020 are exempt from taxation.

An estimated 89,529 Missouri workers would lose unemployment benefits this month without this extension.^{vii}

UI Provisions Extended by the American Rescue Plan

Program	Description	Maximum Duration
Pandemic Unemployment Assistance (PUA)	Benefits for workers ineligible for traditional UI	Increased from 50 to 79 weeks
Pandemic Emergency Unemployment Compensation (PEUC)	Benefits for those who have exhausted state benefits	Increased from 24 to 53 weeks
Federal Pandemic Unemployment Compensation (FPUC)	Boosts weekly benefits by \$300	n/a

Health

The law temporarily expands ACA Marketplace subsidies (also known as premium tax credits) for those insured through the marketplace in 2021 or 2022.

- Enrollees with incomes below 150% FPL would pay \$0 for premiums through the marketplace, while enrollees between 150% FPL & 400% FPL would see premiums decline significantly.

- Families with incomes over 400% FPL would pay no more than 8.5% of their income toward premiums.^{viii}

The average monthly premium in Missouri would decrease by \$626.^{ix}

Maximum Share of Household Income Required for Premium Tax Credits

Income Range (FPL)	Maximum Share of Income Paid in Premiums	
	Current Law	ARP
100-133%	2.07%	0%
133-150%	3.10%-4.14%	0%
150-200%	4.14%-6.52%	0%-2.2%
200-250%	6.52%-8.33%	2.0% – 4.0%
250-300%	8.33%-9.83%	4.0% – 6.0%
300-400%	9.83%	6.0% – 8.5%
400+%	n/a	8.50%

Source: Georgetown Center for Children and Families

Food Assistance

SNAP Benefits

The relief package extends a 15% increase in SNAP benefits through September 30th, 2021. **An estimated 697,000 Missourians will receive an average monthly benefit increase of \$28 per person totaling an estimated \$58 million during the three-month extension.^x**

Pandemic EBT

It also allows states to extend their Pandemic EBT programs through the summer to provide meals for children who usually receive breakfast and lunch at school.

Housing

Emergency Rental Assistance

The American Rescue Plan supplements current funding provided to states, localities, and

territories to help families pay rent & utilities. Over 150,000 Missourians (or over half of adults who are not current on rent or mortgage payments) report that eviction or foreclosure in the next two months is either very or somewhat likely.^{xi} **An estimated \$322,771,300 million will be provided for rental assistance in Missouri.^{xii}**

Assistance for People Experiencing Homelessness

The law provides funding to help communities provide supportive services and safe, socially distant housing solutions, including the purchase of properties like motels for use as non-congregate shelter, to protect the health of families and individuals and help control transmission of coronavirus. **Missouri will receive an estimated \$46 million in assistance for people experiencing homelessness, with an additional \$43 million in aid flowing directly to localities.^{xiii}**

Estimated Allocation of Homeless Assistance Grants in Missouri

Missouri	\$46,073,407
CNSRT-Joplin City	\$1,762,444
CNSRT-St Louis County	\$13,481,593
Columbia	\$2,194,579
Independence	\$1,710,502
Kansas City	\$8,525,108
Springfield	\$3,863,662
St Joseph	\$1,358,294
St Louis	\$10,797,541

The Act also provides a range of additional new and supplemental funding to help keep people in their homes including:

- Housing Counseling
- Emergency Housing Vouchers
- Rural Rental & Homeowner Assistance
- Mortgage and Utility Assistance
- Fair Housing Organizations

Notes

- i. Institute on Taxation & Economic Policy (2001) Estimates on Senate and House Reconciliation Bill' Cash Payment and Tax Credit Provisions. State-based estimates are available for download at <https://itep.org/estimates-on-senate-and-house-reconciliation-bills-cash-payment-and-tax-credit-provisions/> (retrieved on 3/10/21).
- ii. Marr, C., Hingtgen, S., Windham, K., & Sherman, A. (March 2, 2021). House COVID Relief Bill Includes Critical Expansions of Child Tax Credit and EITC. Center on Budget & Policy Priorities. Available: <https://www.cbpp.org/research/federal-tax/house-covid-relief-bill-includes-critical-expansions-of-child-tax-credit-and>
- iii. Wamhoff, S. (2021) Estimates of Cash Payment and Tax Credit Provisions in American Rescue Plan. Institute on Taxation and Economic Policy Available: <https://itep.org/estimates-on-senate-and-house-reconciliation-bills-cash-payment-and-tax-credit-provisions/> Accessed 3/11/2021.
- iv. Marr, C., Hingtgen, S., Windham, K., & Sherman, A. (March 2, 2021). House COVID Relief Bill Includes Critical Expansions of Child Tax Credit and EITC. Center on Budget & Policy Priorities. Available: <https://www.cbpp.org/research/federal-tax/house-covid-relief-bill-includes-critical-expansions-of-child-tax-credit-and>
- v. Ibid.
- vi. Wamhoff, S. (2021) Estimates of Cash Payment and Tax Credit Provisions in American Rescue Plan. Institute on Taxation and Economic Policy Available: <https://itep.org/estimates-on-senate-and-house-reconciliation-bills-cash-payment-and-tax-credit-provisions/> Accessed 3/11/2021.
- vii. Stettner, A & Pancotti, E. (2001) 11.4 Million Workers Facing Jobless Benefit Cliff Starting March 14, Unless Congress Acts Swiftly. The Century Foundation. Available: <https://tcf.org/content/report/11-4-million-workers-facing-jobless-benefit-cliff-starting-march-14-unless-congress-acts-swiftly/> Accessed 3/10/21
- viii. Park, E. & Corlette, S. (2021) American Rescue Plan Act: Health Coverage Provisions Explained. Georgetown Center for Children & Families. Available: <https://ccf.georgetown.edu/2021/03/11/american-rescue-plan-act-health-coverage-provisions-explained/>. Accessed 3/11/21.
- ix. Based on a 60-year- old with an income of \$55,000 who uses the benchmark silver plan From: Kaiser Family Foundation, "Impact of Key Provisions of the House COVID-19 Relief Proposal on Marketplace Premiums," February 18, 2021. Downloaded on 3/1/2021 at <https://www.kff.org/health-reform/issue-brief/impact-of-key-provisions-of-the-house-covid-19-relief-proposal-on-marketplace-premiums/>
- x. Center on Budget and Policy Priorities (2021) American Rescue Plan Act Will Help Millions and Bolster the Economy. Available <https://www.cbpp.org/research/poverty-and-inequality/american-rescue-plan-act-will-help-millions-and-bolster-the-economy#tax>. Accessed 3/10/21

- xi. U.S. Census Bureau. Household Pulse Survey Interactive Data Tool Available: <https://www.census.gov/data-tools/demo/hhp/#/>. Accessed 3/11/21
- xii. Estimates of Emergency Rental Assistance Allocations in Senate Substitute Language (3/4/21). United States Senate Democratic Leadership. Estimates do not include funding for high-need grantees or account for federal administrative costs.
- xiii. National Low Income Housing Coalition (2021) American Rescue Plan Act: Estimated Allocations of Homeless Assistance Grants (\$5 billion). Available: https://nlihc.org/sites/default/files/Estimated-Allocations-Homeless-Assistance_American-Rescue-Plan-Act.pdf. Accessed: 3/11/21.