



COVID Relief Priorities

Direct, flexible local aid

NATaT supports language in the COVID relief package that provides direct, flexible funding to all units of local government.

The COVID relief package includes \$350 billion for states and local governments. Local government budgets were decimated because of the pandemic, and while some communities secured federal assistance, many of our smaller, more rural communities were left behind. NATaT supports the current funding allocation in the COVID relief package because it directs federal assistance to all units of local government, regardless of size. This is a tremendous benefit to towns and townships that received little to no direct federal assistance from previous relief bills.

The language in the COVID relief package states that communities must certify to Treasury that they will use these funds for one of four allowable uses:

1. Respond or mitigate the public health emergency with respect to the coronavirus disease or its negative economic impacts.
2. Cover costs incurred as a result of the COVID emergency.
3. Replace lost, delayed, or decreased revenue based on local projections as of January 27, 2020, as a result of the COVID emergency.
4. Address the negative impacts of the COVID emergency.

It is NATaT's understanding that these uses are purposefully broad. We want to ensure that the Department of Treasury acknowledges the legislative intent to give communities the flexibility to decide how these funds can be used to stimulate our economies, create jobs, and recover from this crisis.

Public Employer Tax Benefit

NATaT supports allowing public employers access to the same tax benefit as private employers to offset the cost of expanded employee benefits.

The *Families First Coronavirus Response Act* included expanded paid sick and Family Medical Leave Act benefits to employees. It included a tax credit for private employers to offset the cost to the employer for additional paid leave but excluded public employers from that tax credit.

H.R. 786 and S. 262 were introduced on February 4, 2021, to give public employers the same tax credit as private employers. The provision also is included in the House COVID relief package.