

Supporting Texas' Aviation Industry through the Coronavirus Pandemic

As Texans responsibly practice social distancing and stay home to keep themselves and their neighbors safe, Texas' aviation industry has taken a hard hit. Should these businesses become insolvent during this crisis, the economy and all travelers will suffer long after the virus is contained. Sen. Cornyn worked to pass a bill providing a lifeline to severely affected industries like airline companies and aviation technology suppliers. By responsibly injecting dollars back into the economy, Congress can help airlines keep employees on their payroll and Americans in a better position to take flight once this period of uncertainty is over.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act

Became Law March 27, 2020

[Sen. Cornyn's Statement and Texas-Specific Summary](#)

- Provides **pandemic relief for aviation workers** through financial assistance for the exclusive use of employee wages, salaries, and benefits in the amounts of up to **\$25 billion for passenger air carriers, up to \$4 billion for cargo air carriers, and up to \$3 billion for airline contractors**
 - Includes \$100 million for administrative fees associated with providing this financial assistance
- Provides **\$32 billion in payroll assistance grants** for airlines and supporting industries
- Provides \$500 billion to the U.S. Department of Treasury's Exchange Stabilization Fund to **stabilize key national industries by providing loans, loan guarantees, and other investments**
- Authorizes the Federal Reserve to leverage Treasury's Exchange Stabilization Fund to provide approximately **\$4 trillion in direct assistance** to various industries, cities, and states

- Provides **\$500 billion in secured loans to affected businesses** and establishes an Inspector General and Oversight Board to provide accountability for the loan program
- **Suspends certain commercial aviation excise taxes** applied to the transportation of persons (i.e. ticket tax), the transportation of property (i.e. cargo tax), and aviation fuel
 - Repayments on loans to airlines and other aviation industry sectors will be used to replenish the Airport and Airway Trust Fund, ensuring long-term and sustainable investment in critical aviation infrastructure both in the sky and on the ground.
- **Increases the amount of deductible business interest allowed**
- Allows employers to **defer payment of their share of the Social Security tax** for two years, requiring half of the amount to be paid by December 31, 2021 and the other half by December 31, 2022
- **Offers a temporary Refundable Employer Retention Credit** for businesses who continue to pay their employees despite suffering a reduction of at least 50 percent in gross receipts or being forced to shut down because of government orders
 - This provision provides a refundable payroll tax credit for 50 percent of wages paid from March 13 through December 31, 2020 by eligible employers to employees during the COVID-19 crisis.
 - For businesses with more than 100 full-time employees, this provision applies to wages paid to employees when they are not providing services due to COVID-19-related circumstances.

- **Expands unemployment insurance (UI)** for Texas workers, including those employed in the aviation industry:
 - Provides an extra \$600 weekly federal UI benefit on top of the state maximum until July 31, 2020
 - Funds an additional 13 weeks of federally-funded unemployment eligibility for individuals after they've exhausted state UI benefits through the end of the year
 - Temporarily expands UI eligibility to include the self-employed, independent contractors, those with limited work history, railroad workers, and those who worked at non-profit entities
- **Provides direct and immediate financial relief** to airline industry workers:
 - Allots \$1,200 checks to each Texan making less than \$75,000 annually (\$2,400 for a couple making less than \$150,000 annually), plus \$500 per child
 - Allows Texans to access their retirement plans for coronavirus-related expenses without an early withdrawal penalty
 - Allows Texans to defer student loan payments for six months with no penalty or interest

Please reach out to Senator Cornyn's office with questions about any of these provisions.

Visit cornyn.senate.gov/coronavirus for more information on Senator Cornyn's efforts to combat the coronavirus