



## Press Release

# Major Tax Policy Changes in the COVID-19 Response Package

ALLISON EDWARDS | DECEMBER 22, 2020

Last night Congress passed a COVID-19 relief package and other spending measures in the Consolidated Appropriations Act (CAA), and included are a number of tax-related provisions aimed at businesses and individuals. AAF's Director of Fiscal Policy Gordon Gray outlines these provisions and their potential cost.

His central points:

- Among the many provisions in the legislation are tax policies designed to provide relief from the economic fallout from the COVID-19 pandemic;
- The most conspicuous and costly among the tax provisions in the legislation is a second round of recovery rebates, at \$600 per taxpayer;
- In total, the CAA contains 72 separate tax-related provisions, though most are somewhat routine extensions or clarifications; and
- Combined with other elements in the legislation, the direct payments provide a substantial fiscal boost as the United States enters a challenging holiday season.

[Read the analysis.](#)