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ACCOUNTING

Senate GOP Agrees to Another Round of \$1,200 Coronavirus Stimulus Checks

Instead of a payroll tax cut, the GOP will now back \$1,200 checks for individuals who make up to \$75,000 a year, exactly as in the March stimulus bill. Mnuchin said that would get money into the economy faster than cutting the payroll tax, which would

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The Trump administration and Senate Republicans have a “fundamental agreement” on a GOP plan for another round of virus relief, Treasury Secretary Steven Mnuchin said Thursday, after the White House dropped the idea of including a payroll tax cut. Instead of a payroll tax cut, the GOP will now back \$1,200 checks for individuals who make up to \$75,000 a year, exactly as in the March stimulus bill. Mnuchin said that would get money into the economy faster than cutting the payroll tax, which would take weeks to implement.

But the timetable for unveiling legislative text, which is key to beginning negotiations with Democrats, appeared to be slipping even as Congress and the White House are confronting looming deadlines.

Lawmakers had expected Senate Majority Leader Mitch McConnell to begin releasing a series of bills as soon as Thursday, but Mnuchin said they might not be ready until next week.

“Maybe it gets introduced today or not. We’re still looking at the timing,” Mnuchin said following a meeting with McConnell at the Capitol. “We have a fundamental agreement, we’re just looking at language.”

Republicans and Democrats are headed into a furious round of negotiations to get another stimulus passed as the economy continues to reel from a still raging coronavirus pandemic. With the government reporting that jobless claims rose last week, the supplemental unemployment insurance approved in the last relief bill is set to expire at the end of the month.

Abandoning the payroll tax holiday sought by President Donald Trump is an about-face by the administration. As recently as Sunday, Trump said he would reject any stimulus legislation if it didn't include the tax holiday.

The idea found little support in Congress. Senate Republicans had been openly dismissive, and Democrats in both chambers opposed another broad-based tax cut.

Mnuchin suggested the White House might try again in a possible follow-up measure for virus relief, but time is running short for another major initiative before the November elections. The next chance for another stimulus bill could come in late September when Congress and Trump will need to agree on a spending bill to avert an Oct. 1 government shutdown.

Resolving the payroll tax dispute cleared a major hurdle for the Senate GOP in shaping a \$1 trillion proposal that would be their opening offer in talks with Democrats, who've already offered a \$3.5 trillion package.

Mnuchin and others have described the Republican plan as an extension of portions of the last stimulus, passed in March. That includes direct payments to individuals, expanded unemployment benefits and a loan program for small businesses.

Republicans said they also will include aid for schools, including an incentive for educators to open classrooms, and money for testing and vaccine distribution.

House Speaker Nancy Pelosi and Senate Democratic leader Chuck Schumer have complained that there can be no negotiations without a detailed Republican proposal.

“One of the reasons we are up against this cliff is that Republicans have dithered,” Schumer said Thursday at a news conference with Pelosi. “The administration has no direction, no plan.”

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— *With assistance by Jordan Fabian, Laura Davison, and Billy House*

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