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TAXES

President Donald Trump announced four executive actions on Saturday, including continued expanded unemployment benefits and a temporary payroll tax deferral for some workers, as the coronavirus pandemic continues to hobble the U.S. economy.

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President Donald Trump announced four executive actions on Saturday, including

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Democrats — who said Saturday's measures "provide little real help to families."

Trump's "meager" policy announcements were "unworkable, weak and narrow," and by pushing off payroll taxes for some, "endanger seniors' Social Security and Medicare," House Speaker Nancy Pelosi and Senate Democratic Leader Chuck Schumer said in a joint statement.

"What Democrats primarily want is bailout money — has nothing to do with" the coronavirus, Trump said during a news conference at his golf club in Bedminster, New Jersey. "We're not willing to do that."

Tax Deferrals

Trump said his action authorizes the U.S. Treasury to allow companies to defer payroll taxes for Americans making less than \$100,000 a year from Sept. 1 through Dec. 31. He said if he's re-elected in November, he may extend the deferral and terminate the tax for some workers.

"This fake tax cut would also be a big shock to workers who thought they were getting a tax cut when it was only a delay," Senator Ron Wyden, the ranking Democrat on the Senate Finance Committee, said in a statement. "These workers would be hit with much bigger payments down the road."

The president said another order would provide \$400 a week in jobless benefits — down from \$600 weekly that had been provided through last week, authorized by a Congressional stimulus bill in March — and that states would be responsible for covering 25% of the cost.

The administration is directing states to use part of the \$150 billion Coronavirus Relief Fund, while the federal government will tap on \$44 billion of the existing \$70

billion Disaster Relief Fund, said Andrew Husby, an economist for Bloomberg

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argue to voters that he's looking out for their well-being amid congressional inaction.

Alienating Democrats

But the gambit risks alienating Democratic lawmakers and decreasing the odds for a deal that both sides say is necessary to help the economy recover from a pandemic that's decimated industries and left nearly 160,000 Americans dead so far.

"Unable to deliver for the American people in a time of crisis, Donald Trump offered a series of half-baked measures today," Democratic nominee Joe Biden said in a statement. "He is laying out his roadmap to cutting Social Security."

Democrats criticized the president when he threatened the move during negotiations, saying the administration would be better off returning to the bargaining table. White House Chief of Staff Mark Meadows and Treasury Secretary Steven Mnuchin had been meeting throughout the week with Schumer and Pelosi to try to craft a deal, without success.

Of the \$3.7 trillion Congress has authorized for the coronavirus response, there is still \$1.5 trillion yet to be spent or committed, according to an analysis from the Committee for a Responsible Federal Budget. The White House, though, has limited authority to redirect the unused money without Congress's approval.

Because the president can't cut taxes on his own, Trump is simply delaying the due date for the payroll tax, which is paid jointly by employers and employees. The administration hopes employers will stop withholding the money from Americans' paychecks, with voters in turn pressuring Congress to eventually pass legislation forgiving the accumulated amount.

Employer Uncertainty

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Democrats favored extending the \$600 weekly amount through January or beyond, while Republicans sought a reduction, saying that the benefit was so generous that Americans were choosing not to return to work.

“The temporary \$400-a-week supplement on top of the traditional state benefits will help the unemployed, no doubt, but it means that more than half of the jobless will earn more unemployed than at work,” Representative Kevin Brady of Texas, the top House Ways and Means Committee Republican, said in a statement. “This maintains a serious barrier to reconnecting workers to their jobs.”

The administration says that about \$81 billion has yet to be spent and could be provided to unemployed Americans, though some states have already committed their funds for health care, distance learning and housing assistance. And even if states do use the money for an expanded unemployment benefit, it's unlikely to match the previous \$600.

Eviction Moratorium

Some 10.2% of Americans are unemployed, a government report showed Friday. That's just above the peak following the 2008 financial crisis, but a marked decline from almost 15% at the height of the pandemic.

The president's eviction moratorium expands the congressionally approved version that expired in July.

Trump directed the Department of Housing and Urban Development to extend protection for renters in federally backed housing, mirroring the previous stimulus legislation that shielded around a third of the nation's renters. Those who live in buildings with federally backed mortgages or loans would be shielded from eviction proceedings.

Around one in five American renters — between 19 million and 23 million people —

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for Americans with student loans.

Earlier this year, Trump moved to stop the accrual of additional interest on federal student loan payments. Congress later moved to allow borrowers to skip payments due to the coronavirus, meaning some could effectively put their loans on hold, interest free.

Those benefits are set to expire on Sept. 30.

— *With assistance by Laura Davison, Erik Wasson, and Billy House*

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