The American Rescue Plan Act of 2021, signed into law on March 11, 2021, included three separate extensions of temporary increases of Unemployment Compensation benefits that were enacted in prior law:

**EXTENSION OF PANDEMIC UNEMPLOYMENT ASSISTANCE.** This section extends through August 29, 2021 the Pandemic Unemployment Assistance program, which provides unemployment benefits to some self-employed and pandemic-affected individuals who do not qualify for regular state unemployment benefits.

**EXTENSION OF FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION.** This section extends through August 29, 2021 the federal supplemental unemployment benefit (FPUC), which is added to both state and federal benefits, and the mixed-earner supplement added to it for eligible workers. It extends the FPUC amount at $300 for weeks ending after March 14 and before August 29, 2021.

**EXTENSION OF PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION.** This section increases the number of weeks of benefits an individual worker may receive in the Pandemic Emergency Unemployment Compensation (PEUC) program from 24 to 48, and extends the period of time in which workers can receive PEUC benefits if they exhaust regular state UI benefits through August 29, 2021.

Therefore, benefits are scheduled by law to revert to their pre-pandemic levels in September of this year.

However, the Federal Pandemic Unemployment Compensation $300 benefit increase requires concurrence by each state’s governor. As of this date, governors (all Republicans) of 25 states have chosen to eliminate the FPUC benefit increase. The benefit increase expires in four states on June 12, and in the additional 21 states on July 10. Two other states with Republican governors have not taken such action; Republican-majority legislatures in two states with Democratic governors are considering legislation to that effect.

There is a long list of minor provisions of the American Rescue Act that are temporary. These include a more generous tax exclusion for unemployment compensation; more generous COBRA health insurance benefits for workers who lost their jobs; the “recovery rebates;” improvements in the Child Tax Credit (building on changes in the 2017 Act; see below); an increase in the Earned Income Tax Credit for childless workers, and a special rule for measuring earned income for the purposes of the credit; refundability and enhancements of the Child and Dependent Tax Credit; an increase in the tax exclusion for employer-paid dependent care assistance; extension and modification of the tax credit for paid sick and family leave; extension and modification of the Employee Retention Credit; liberalizations of the Premium Tax Credit under the Affordable Care Act; and modification of the treatment of student loan forgiveness.
Many of the spending provisions of the American Rescue Act are one-time grants. These include food assistance under SNAP; grants for state and local governments for education, rental assistance, economic relief, tribal assistance, and capital projects in response to COVID-19; child and elder care; COVID-19 vaccinations; mental health and substance abuse disorders; multiemployer pension plans; small business assistance; health care workers, transportation workers, and other targeted populations; the international and humanitarian response; scientific research and development; and health care providers in rural areas. These are all one-time grants, and so de facto expire when the monies are fully disbursed.

In addition, there are many expiring provisions in the tax code. Some of the most prominent were enacted in the Tax Cuts and Jobs Act of 2017, with expiration dates of December 31, 2025. Among these are reductions in the rate schedule, increases in the standard deduction (and elimination or reduction of several itemized deductions), an increase in the Child Tax Credit (including making the credit refundable), an increase in the estate and gift tax exemption amounts, and an increase in the alternative minimum tax exemption amounts. Generally speaking, these provisions provide substantial relief for low- and moderate-income taxpayers. Notably, the President’s new fiscal year 2022 budget does not include funding to extend these tax credits.