

---

# Hughes Hubbard & Reed

## CARES Act Developments and Newly Proposed Fiscal Stimulus Legislation as of October 16, 2020

### Client Advisories

Hughes Hubbard & Reed LLP • A New York Limited Liability Partnership  
One Battery Park Plaza • New York, New York 10004-1482 • +1 (212) 837-6000

Attorney advertising. Readers are advised that prior results do not guarantee a similar outcome. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. For information regarding the selection process of awards, please visit <https://www.hugheshubbard.com/legal-notices-methodologies>.

---

**October 16, 2020** – This week the Financial Crimes Enforcement Network issued an advisory regarding COVID-19-related unemployment insurance fraud, and legislation was introduced in the House of Representatives that would expand corporate tax incentives to invest in innovation and technology, particularly with respect to pharmaceuticals and medical devices.

### Regulatory Developments Relating to the Pandemic

#### FinCEN Issues Unemployment Insurance Fraud Advisory

On October 13, the Financial Crimes Enforcement Network (FinCEN) issued an advisory alerting financial institutions and employers to unemployment insurance fraud, warning of an increase in fraudulent schemes that exploit vulnerabilities created by the COVID-19 pandemic. The advisory describes the kinds of COVID19-related unemployment insurance fraud that have been reported to government agencies, discusses associated financial red flag indicators, and provides information on how to report suspicious activity.

- [FinCEN Advisory](#)

### Legislative Proposals

#### H.R. 11: Commitment to American GROWTH Act

On October 9, Representative Kevin Brady (R-TX) and House Minority Leader Kevin McCarthy (R-CA) introduced legislation that would expand corporate tax incentives to stimulate investment in innovation and technology in an effort to rebuild the U.S. economy in the wake of the COVID-19 pandemic. The bill would make permanent certain provisions of the Tax Cuts and Jobs Act of 2017, including the Act's full expensing provision and a provision

establishing a standard for business interest limitation based on earnings before interest, taxes, depreciation, and amortization (EBITDA). The bill would modify certain rules regarding amortization of the costs of research and development, double certain research and development tax credits, and reduce the tax costs of on-shoring intellectual property developed abroad. The bill would also provide for more favorable tax treatment of domestic manufacture and sales of pharmaceutical ingredients and medical devices, investments in advanced medical manufacturing equipment and medical research, and investments in start-up businesses.

- [Press release](#)
- [Text of bill](#)

[Click here to go to our COVID-19 Resource Center for more advisories, articles and other content related to the coronavirus pandemic.](#)

## Related People



**Philip A. Giordano**



**Andrew H. Braiterman**



**Spencer L. Harrison**



**Alan Kravitz**



**Alexandra Poe**



**Charles A. Samuelson**

## Related Areas of Focus

[Corporate](#)

[Tax](#)

[Employment & Unfair Competition](#)

[Employee Benefits & Executive Compensation](#)