



*****Please note that the Small Business Legislative Council (SBLC) will have a full detailed report on the CARES Act “Phase 3” early next week.**

Important to petroleum marketers, the package includes:

- \$350 billion to aid small businesses with less than 500 employees through a new special type of SBA 7(a) loan called the “Paycheck Protection Program” to help them make payroll and other expenses.
- \$17 billion to wipe out all principal, interest, and fees on all existing SBA loan products, including 7(a) loans, for six months to provide relief to small businesses negatively affected by COVID-19. Click [here](#) for more detailed information and additional 7(a) details will be released by SBA in the near future.
- Employee retention credit for employers subject to closure due to the coronavirus pandemic. Specifically, a refundable payroll tax credit for 50 percent of wages paid by employers to employees during the coronavirus crisis will be available to employers whose (1) operations were fully or partially suspended, due to a COVID-19-related shutdown order, or (2) gross receipts declined by more than 50 percent when compared to the same quarter in the prior year.
- An additional \$900 million for the Low Income Home Energy Assistance Program (LIHEAP) which represents a victory for PMAA’s heating fuel dealers.
- An additional \$15.51 billion for the Supplemental Nutrition Assistance Program (SNAP) in anticipated increases in participation as a result of coronavirus.

Additional provisions:

- A technical correction to the “Tax Cuts and Jobs Act” that now allows businesses to immediately write off costs associated with improving facilities instead of having to depreciate those improvements over the 39-year life of the building.
- Direct payments of up to \$1,200 to taxpayers depending on income (\$2,400 for couples filing joint tax return, \$500 additional for every child) that phase out after taxpayer reaches \$75,000 in adjusted gross income (\$150,000 for couples). No checks for anyone earning more than \$99,000, \$146,500 for head of household filers with one child, and \$198,000 for joint filers with no children. The amount will be based on each taxpayer’s 2019 tax return if filed, or in the alternative their 2018 return.
- Waives the 10-percent penalty for the early withdrawal of retirement funds up to \$100,000 specifically for coronavirus-related purposes.
- Deductions of up to \$300 on charitable contributions made this year.
- A delay in employer payroll tax payments.
- Changes to allow companies to utilize net operating losses to increase funding.
- A change to the loss limitation applied to pass-through businesses and sole proprietors to increase funding.
- A change that allows companies to recover AMT credits
- A change increasing the amount of business expenses companies can deduct on tax returns.

- \$500 billion fund for loans to corporations that will be overseen by an inspector general and a congressional panel.
- Hospitals will be received over \$130 billion.
- State and local governments to receive \$150 billion.
- Ban on stock buybacks for companies receiving government loans during the term of their assistance plus one year.

One notable exclusion in the bill is an expansion of the \$7,500 electric vehicle (EV) tax credit which PMAA highlighted to Congress as wasteful tax policy last week. However, the fight isn't over as there may likely be a "Phase 4" coronavirus response bill and environmental groups see the opportunity to attach their "Green New Deal" priorities. The Senate has adjourned until April 20th so stay tuned.

For a full detailed summary from Squire Patton Boggs Coronavirus Response legislation, [click here](#).

For all PMAA Coronavirus Response information, [click here](#).