



THE WANADA BULLETIN

NEWS AND INFORMATION FOR AND ABOUT FRANCHISED NEW CAR DEALERS IN THE WASHINGTON AREA

WANADA Bulletin # 6-21

March 17, 2021

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Several Important Business Bills Approved by Va. Assembly

Last issue, [WANADA reported](#) on the four electric vehicle-related bills that passed the Virginia General Assembly in this year's session. But there were also several other key pieces of legislation of note to dealers and other businesses that have made it through both chambers.

Importantly to dealers and other public-facing businesses, the General Assembly approved legislation that provides for a sales tax exemption on personal protective equipment that has been bought during the pandemic. This bill is both retroactive to the beginning of the pandemic in 2020, and will remain in effect until the governor's declared state of emergency ends. Governor Northam signed [HB 2185](#) into law last week, and it is already in effect as emergency legislation.

HB 1935/SB 1146 also makes expenses from forgiven Paycheck Protection Program loans tax-exempt, bringing Virginia's tax code more in line with the federal government. On Monday, the Virginia Department of Taxation [released an update](#) on the tax changes authorized by Gov. Northam, who signed [SB 1146](#) and [HB 1935](#) into law earlier that day. The two bills are identical, and like HB 2185, contain emergency clauses that allow them to take effect immediately.

Additionally, as outlined by [this Senate report](#), the state budget contains hundreds of millions of dollars in transportation spending, including improvements to both highways and commuter rail service. As part of the budget, Interstate 64 will be widened from the Hampton Roads area to Richmond, and High Occupancy Toll lanes are set to be added.

The final budget also includes language requiring unitary businesses registered in the state to file a pro forma report with the state Department of Taxation no later than June 1. This report would be for the business' 2019 tax year, and failure to file could result in fines as large as \$10,000 for the business.

In addition to the new laws and the bills that await Gov. Northam's approval, there were several other noteworthy proposals that failed. A move to repeal Virginia's right-to-work law, which forbids enrollment in a union as a condition of employment, once again failed. A proposal that would expand the ability for class action lawsuits to be filed in state court also failed, after the House and Senate failed to agree on several sticking points between their proposals. A proposal to expand Virginia's non-discrimination laws to more thoroughly cover workplace harassment also failed after several Senate Democrats joined the GOP caucus to defeat it.

SBA Updates Paycheck Protection Program FAQs

The Small Business Administration has updated their thorough [Paycheck Protection Program loan guidance](#), in light of the [Economic Aid Act](#) passed in December 2020 and several Biden Administration rules that modified some of the parameters of the program. Of particular note is the newly-added Question 46, which addresses the criteria for a business to apply for a second-draw PPP loan.

Please note that PPP loan applications can be submitted until March 31. [Please click here](#) for more information on the PPP and other COVID-related federal relief options available to small businesses.

We, along with our friends at the National Automobile Dealers Association, encourage all our members to determine whether they are eligible for the Employee Retention Tax Credit. Under the Economic Aid Act, PPP participants can retroactively claim the ERTC for “qualified wages not paid for with PPP loan proceeds.” You can review Internal Revenue Service guidance on this updated rule [at this link](#).

In other important news, the SBA once again has a Senate-confirmed director, as Isabel Guzman was easily approved for the position yesterday by an 81-17 vote.

Reminder: Md. MVA Resuming Dealer/Title Service Orientations

Earlier this month, the [Maryland MVA announced](#) that they are once again offering their monthly dealer orientations, which are a required event for new dealerships and tag/title businesses in the state. Businesses that received their licenses during the pandemic, when these orientations were halted, are required to attend one of the orientation sessions in 2021.

The MVA will be offering an orientation once per month for the rest of the calendar year, starting on March 24. The sessions are four hours long, running from 9 a.m. to 1 p.m. You can see the full list of available session dates at the link in the paragraph above.

Each session will be conducted virtually, using the Microsoft Teams platform; the MVA recommends that attendees use a PC (as opposed to a Mac or other similar device) to view and participate in the sessions.

To register for the sessions, please email Lakea Shelton at lshelton1@mdot.maryland.gov, or Donnell Reeves at dreeves@mdot.maryland.gov. If you have any questions, please contact the MVA Business Licensing and Driver Instructional Services department at mvabldisd@mva.maryland.gov, or by calling 410-787-2952.

To view the latest MVA Dealer Bulletins, [please click here](#).

EPA Updates 2021 Fuel Economy Standards Guide

The Environmental Protection Agency and the United States Department of Energy are updating their 2021 fuel economy standards for specific vehicles on a rolling basis. You can view the full list of vehicles [at this link](#), which includes the full list of vehicles as far back as 1994.

The PDF version of the fuel economy guide [can be viewed here](#). As the EPA [announced last November](#), the agency [will not be printing](#) and mailing guides to dealers in 2021; dealers can comply with the requirement to make the guide available and prominent to customers by either printing copies of the PDF publication, or by “providing access to the electronic version/website on a computer in the display area” of the dealership. The EPA also has optional fuel economy guide posters available for printing and display in the dealership; those can be viewed at the [bottom of the page linked here](#).

With more and more sales being conducted online, dealers also have the option to put EPA fuel economy information widgets on the dealership’s website. More information on the EPA’s online tools [is available here](#).

In a similar vein, we have received inquiries about state or federal regulations regarding charges that are labeled as environmental fees on service repair orders. To our current knowledge, there is no federal law regulating what can be defined as an environmental fee on a service order invoice, but we always encourage all dealers to have detailed explanations for any and all fees that they charge in connection with service repairs.

WANADA Supports Hard-Hit Local Hospitality Workers

Few industries have been impacted more severely during the COVID-19 pandemic than the hospitality sector. Washington area hotels have furloughed the majority of their employees as a result of the crisis, so WANADA has pitched in to try and ease the struggles of those affected.

On March 11 and 12, Vice President of Operations Joe Koch (pictured at right) helped facilitate the delivery of 150 care packages to three hotels near the Washington Convention Center as a gesture of support during these difficult times. The selected hotels have been key partners of The Washington, D.C. Auto Show over the years.



WANADA also sends special thanks to Socrates and Ramon Cala of The Calpro Group, and to Walmart Supercenter for handling the logistics.

Happy St. Patrick's Day from WANADA

WANADA President and CEO John O'Donnell celebrated St. Patrick's Day this morning by donning some *very* festive pants and honoring two of his fellow association leaders with Irish heritage – current Board of Directors Chairman Kevin Reilly and former CEO Gerry Murphy.

We wish all our Irish friends, and those who are Irish-at-heart, an enjoyable and safe St. Patrick's Day. Hopefully next year we will all be able to enjoy the holiday together once again. In the meantime, John O'Donnell is bringing enough festivity to the WANADA office for everyone.



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