

TO: NAW Direct Members

FR: NAW Government Relations Team

**RE: NAW COVID/Government Relations Update Number 2021-7 – March 3 at 4:30 PM**

## 1. Latest on the COVID-19 Relief Legislation and Related Issues

This week, the Senate is working to pass their \$1.9 trillion stimulus proposal, after the House narrowly passed their bill on Saturday by 219 to 212, without any GOP support. For information on the House-passed bill, please [click here](#).

President Biden met (virtually) yesterday with a group of moderate Senate Democrats who were concerned not just about the minimum wage increase (see below), but also about the amount of spending in the bill and the unemployment insurance extension. After that meeting, the President agreed to more narrowly target the proposed \$1,400 stimulus payments to individuals most in need, but the Senate moderates agreed to support the continued pandemic UI payment.

The Senate will be in session debating this bill long into the nights this week, and changes will almost certainly be made, but we do not expect the bill's \$1.9 trillion cost to shrink or that other top Democratic priorities will be removed. Once the Senate completes action, the bill will most likely have to go back to the House for them to vote on the modified Senate version.

**Minimum Wage:** The Senate parliamentarian ruled last week that the minimum wage increase could not be included in the Senate bill. In response, Budget Committee Chair Bernie Sanders (I-VT) and Finance Committee Chair Ron Wyden (D-OR) announced plans to address the issue through the tax code, either denying tax benefits to or imposing surtaxes on large companies that do not pay the minimum wage. Both proposals have been sidelined for now, but the issue is not settled. Senator Sanders is expected to attempt to add the wage increase to the COVID bill despite the ruling that it would be out of order, but that effort is expected to fail. At some point, however, a compromise could well be considered, as some Members of Congress – both Democrats and Republicans – who oppose the \$15 wage would support a smaller increase. Last month NAW and some member associations signed a letter to Congress opposing a wage increase – you can read our letter [HERE](#) – and we will be monitoring this issue closely.

## 2. Update on PPP – State “Decoupling” Issue

The CARES Act provided that forgiven PPP loans would not be taxable, and after an aggressive lobbying effort by NAW and our business allies, Congress passed legislation clarifying that the IRS could not tax PPP loans indirectly by denying the tax deductibility of business expenses paid for with a forgiven PPP loan. However, some states are “decoupling” their state tax law from the CARES Act provisions by treating forgiven PPP loans as taxable income and/or denying deductibility of expenses paid with forgiven PPP loans. The Tax Foundation has prepared an analysis of how each state is handling the issue of PPP taxability, which they are updating frequently. You can access that useful Tax Foundation report [here](#).

## 3. Latest on the Vaccine Distribution

### **State and Local Vaccine Distribution Tracker by *Little Law Firm*:**

As with nearly everything about this pandemic, guidance and action plans vary by state and local jurisdictions and are constantly evolving. To that end, *Little Law Firm* provides links to state agency websites, vaccine allocation plans, and other guidance related to the rollout of COVID-19 vaccines, as well as basic vaccination plan phases. To see the latest updates, click [HERE](#).

### **Kaiser Foundation Report on State adoption of Federal guidelines on vaccine eligibility/essential services:**

The Kaiser Family Foundation has prepared a report on how each state is handling/progressing on vaccine distribution and administration, including updates on whether the states are following the federal guidelines on vaccine eligibility and if not, where they differ. To access that report, [Click Here](#)

### **Additional vaccine distribution resources:**

Last week we included additional information and resources on vaccine distribution in our update, which you can access [here](#).

### **NAW initiatives on vaccine distribution:**

NAW is working with member companies in a joint effort to get the government to involve the entire wholesale distribution industry in the vaccine distribution effort. We have met with officials at the Department of Health and Human Resources and reached out to officials at the White House to push for an “all hands-on deck” approach to vaccine distribution. As the J&J vaccine comes to market and the supply of vaccines increases significantly, it will be essential that a broad distribution plan be in place for the President to meet his newly announced commitment to have vaccines available to all Americans by the end of May.

### **Specific Employer Issues:**

While many workers in the U.S. are eager to receive the COVID-19 vaccination—and many employers plan to encourage them to do so—a significant number of workers say they are unlikely to get vaccinated, according to new research by the *Society for Human Resource Management (SHRM)*.

In a recent survey, *SHRM* found that:

- 60 percent of workers will probably or definitely get the vaccine once it becomes available to them.
- Nearly a quarter (24 percent) of employees who are not planning to get vaccinated would change their minds if their employer offered incentives such as cash bonuses or stipends, paid time off (PTO) or gift cards.
- 12 percent of employees would be willing to get vaccinated only if they might otherwise lose their job.

To read the full story, click [HERE](#). To view the full survey report, click [HERE](#).

In a previous update we mentioned that NAW, along with 42 of our downtown allies, sent a [letter](#) to the Equal Employment Opportunity Commission (EEOC) requesting that they quickly issue guidance clarifying the extent to which employers may offer employees incentives to vaccinate without running afoul of the Americans With Disabilities Act and other laws enforced by the EEOC. We are still waiting on a response from the EEOC and we will update you again as soon as we receive it.

## **4. Latest on the Other Issues Impacting NAW Members**

**PRO Act:** As early as next week the House of Representatives will be voting on pro-union legislation entitled the Protecting the Right to Organize (PRO) Act. This radical bill

is a smorgasbord of legislation written to increase union membership at any cost, including attempts to implement policies that have been rejected by the judicial system, opposed on a bipartisan basis in Congress, and/or abandoned by the agencies asked to enforce them. Earlier this week you were sent a notice from NAW to contact your Members of Congress. If you have not yet reached out, we strongly urge you to do so. Please [click here](#).

**199A Pass-through tax deduction:** Earlier this week NAW joined allied organizations signing a letter to Congress supporting the Main Street Tax Certainty Act of 2021, a bill that would make permanent the 199A pass-through deduction enacted in the Tax Cuts and Jobs Act in 2017 (that deduction will expire in a few years if Congress does not act to make it permanent). To read our letter, click [HERE](#).

## 5. Latest on the Economic Recovery and Re-Opening the Workplace

As the Coronavirus Pandemic continues to impact the United States economy and businesses across the nation, it can be hard to decipher how new regulations and laws may impact your business. To help you manage these issues NAW is providing information about reports, webinars, and seminars that you may find useful:

### **From Reed Smith Law Firm:**

[New Jersey legalizes recreational marijuana use: What this means for employers](#)

New Jersey Governor Phil Murphy signed the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act (NJCREAMMA) and other related bills into law which legalize and regulate recreational cannabis use and possession for adults over the age of 21. With the enactment of NJCREAMMA, New Jersey now prohibits employers from... [Continue Reading](#)

### **From Littler Law Firm:**

New Wisconsin Law Provides Immunity from COVID-19 Liability, With Limited Exceptions

On February 25, 2021, Wisconsin enacted a law that gives certain entities broad immunity from civil liability related to COVID-19 unless they acted recklessly or engaged in wanton conduct or intentional misconduct. To keep reading, click [HERE](#).

**Stateside Associates** publishes a daily report about State and Local Government responses to the evolving situation. To read their latest report, click [HERE](#).

We are also providing a link to a spreadsheet that includes state and local COVID-19 response information provided by **MultiState Associates**. To view their spreadsheet, click [HERE](#).

[Click here](#) for links to **UPDATES** sent previously.

Many thanks—

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