

TO: NAW Direct Members

FROM: NAW Government Relations Team

DATE: December 3, 2020

## **1. Latest on Paycheck Protection Program Deductibility**

The business community continues to battle the IRS and the Treasury Secretary over the IRS ruling that otherwise-tax deductible expenses paid for with a forgiven PPP loan would no longer be deductible. It was the clear intent of Congress that PPP loans would not be included as taxable income, and the IRS ruling – firmly supported by Secretary Mnuchin – conflicts with that clear Congressional intent.

NAW helped organize and obtain signatures on a letter to Congress urging them to pass legislation to reverse the IRS ruling, enforce Congressional intent, and prevent the tax increase that PPP borrowers will face next year if the issue is not resolved.

More than 550 organizations signed this letter, clearly demonstrating how important this issue is to the business community. You can read the letter [HERE](#).

## **2. Latest on the Next Congressional Pandemic Relief Package**

Negotiations between Congressional leaders are making progress on talks to fund the government and create a compromise coronavirus stimulus bill, though they will likely need a short-term continuing resolution to fund the government past the December 11th spending deadline.

This week, Senate Majority Leader McConnell said that the Senate will likely try to pass an omnibus funding bill and a coronavirus stimulus in one major package setting the stage for a series of rapid negotiations in the lame-duck session. NAW continues to work with our trade association allies for passage of a new relief measure that includes liability protection, protects the business tax credits included in the CARES bill, and restarts and/or expands the PPP.

Leader McConnell is circulating a revised coronavirus proposal among Senate Republicans which he says has the support of President Trump. A summary of Leader McConnell's plan has several similarities to a \$519 billion package that Republicans offered earlier this fall that Democrats dismissed as "skinny." Among the biggest

elements of the new package is \$332.7 billion for the Paycheck Protection Program. The proposed bill again insists on liability protection for employers from pandemic-related lawsuits if they follow federal health guidelines.

House Speaker Pelosi and Senate Minority Leader Schumer announced yesterday they support a \$908 billion bipartisan stimulus proposal as the starting point for a new round of talks with Republicans. President-elect Joe Biden also said he could support the measure, calling it a “down payment,” though the country will probably need more aid in the future.

Also, this week, Federal Reserve Chairman Jerome Powell and Treasury Secretary Steven Mnuchin both backed more fiscal stimulus to bridge the economy through the next few months of the pandemic as the promise of vaccines looms large. “Some fiscal support now would really help move the economy along” and guard against downside risks, particularly to small businesses,” Chairman Powell testified to the Senate Banking Committee during a joint appearance with Secretary Mnuchin. “The risk of overdoing it is less than the risk of under doing it.”

### **3. Latest on the Paycheck Protection Program**

Yesterday, the Trump administration published a trove of data identifying millions of businesses that received emergency loans during the Covid-19 outbreak, giving the public the first comprehensive look into who tapped into the massive aid programs. The business community objected to the release of detailed loan information, and the SBA originally declined to publicly release it.

The SBA published the names of employers that received money under the Paycheck Protection Program and Economic Injury Disaster Loan program in compliance with a federal court order requiring it to do so. The disclosure followed litigation between the Trump administration and news organizations, including the New York Times and Washington Post, that sought the information under the Freedom of Information Act.

To read more from *Politico*, click [HERE](#).

### **4. Latest on 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:

**As *Politico* reports**, California's emergency workplace safety rules are now in effect, requiring an array of protocols to prevent the spread of Covid-19 on the job amid an explosion of cases statewide. The regulation mandates prevention plans that ensure proper distancing, mask wearing, ventilation and sanitation. It also lays out extensive testing, notification and quarantine requirements.

Employers must quickly notify those exposed to Covid-19 and provide testing during working hours at no cost, investigate how the spread may have occurred, and maintain the pay and benefits of workers required to quarantine at home. To read the full story, click [HERE](#).

**Webinar from *Little Law Firm*:**

**Home Suite Home: The Remote Workforce and Business Expense Reimbursement  
Tuesday, December 8<sup>th</sup> at 3:00pm (ET)**

COVID-19 has shifted the workforce out of office suites and into home offices in a rapid and unprecedented manner. As the pandemic continues and employers reassess the role of the office in their long-term strategy, it is important for employers to understand their obligations and responsibilities as it relates to the reimbursement of business expenses incurred by employees during the course of their work. This webinar will focus on the legal and factual issues facing employers when implementing policies and making determinations about business expense reimbursements.

To register, click [HERE](#).

**From *Covington Law Firm*:**

**Opening the Doors: Return-to-Workplace Considerations During COVID-19**

Whether a company is an essential business that has operated throughout the pandemic or is expecting to re-open in the coming months, a number of challenges must be addressed in order to provide a safe environment in which employees can work, while at the same time mitigating risk and restoring operations. The latest in our eight-part series examines whether employers can and should require employees to take the COVID-19 vaccine in connection with returning to the workplace.

To read the full article, click [HERE](#).

**Webinar from McGuireWoods:  
2021 California Employment Law Update  
Wednesday, December 16<sup>th</sup> 1:00pm – 2:00pm (ET)**

This year brought a number of new laws, including some related to COVID-19, that will impact California employers in 2021. In addition to the new statewide legislation, the legal landscape for employers may further change as a result of various United States and California Supreme Court cases which are expected to be decided in the coming months.

To register, click [HERE](#).

**Webinar from Littler Law Firm:  
Navigating Difficult FMLA and ADA Issues in the Middle of a Pandemic  
Wednesday, December 9<sup>th</sup> at 1:00pm ET**

The COVID-19 pandemic has left an indelible impact on the workplace, causing employers to deal with a wave of medical leaves and a shift to virtual workplace. As a result, employers face a host of compliance issues in navigating leave and accommodation issues.

To register, 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 Critical Updates sent previously.

Many thanks—

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