



The COVID-19 pandemic continues to evolve and the SCWA seeks to be responsive to the fluidity of this situation and keeping our members up to date.

As more and more government entities release new and sometimes conflicting guidance, we, as an association, wish to reiterate that each owner/operator must interpret the guidance applicable to their marketplace and respond accordingly. We will continue to work with state and local government in hopes of providing clarity as it relates to the car wash industry.

The SCWA stands ready to support our members as we navigate through this ever-changing landscape.

#### **UPDATE ON STIMULUS PACKAGE Passed Yesterday by Congress -**

President Donald Trump has signed legislation Congress approved yesterday that will allocate a massive amount of funding to help small business and workers through the coronavirus outbreak. Small businesses are among those that will benefit.

The hallmark of the \$2 trillion stimulus package is the one-time \$1,200 direct payments to adults making up to \$75,000 annually. The legislation includes a number of proposals aimed at supporting small businesses that have been hard hit as the pandemic has forced businesses to shutter in accordance with social-distancing orders from state and local officials across the country.

Here is [the full text of the Coronavirus Aid, Relief, and Economic Security \(CARES\) Act.](#)

Some researchers have estimated that the federal government may need to supply up to \$1.5 trillion in liquidity to businesses that employ 500 or fewer people if the coronavirus emergency to last three months. That's obviously a much larger amount than the Senate plan currently provides. The legislation supports American small businesses in the following ways, according to policy experts:

- A \$350 billion forgivable loan program designed to ensure that small businesses do not lay off employees
- A 50% refundable payroll tax credit on worker wages will further incentivize businesses, including ones with fewer than 500 employees, to retain workers
- Looser net operating loss-reduction rules that will allow businesses to offset more

- A delay in employer-side payroll taxes for Social Security until 2021 and 2022
- Sole proprietors and other self-employed workers could be eligible for the expanded unemployment-insurance benefits the bill provides
- A portion of the \$425 billion in funds appropriated for the Federal Reserve's credit facilities will target small businesses

### **How does the \$350 billion small-business loan program work as we know at this point?**

The Small Business Administration, under the stimulus package, will oversee the Paycheck Protection Program, which will distribute \$350 billion to small businesses that can be partially forgiven if the companies meet certain requirements. The loans will be available to companies with 500 or fewer employees.

“The SBA loans strike a balance between loans on favorable terms and grants by providing forgiveness to firms that use loaned funds for payroll, rent, mortgage interest, and utility payments,” said Garrett Watson, senior policy analyst at the Tax Foundation, a Washington, D.C.-based think tank. This ensures that the firms “have skin in the game” while also giving businesses a better chance at surviving the pandemic, he said.

Loans will be administered by banks and other lenders, which American Enterprise Institute resident scholar Stan Veuger said “will hopefully speed up the process.”

Businesses can receive loans up to \$10 million, based on how much the company paid its employees between Jan. 1 and Feb. 29. The loans will carry an interest rate up to 4%. The bill provides for an expedited origination process.

If the business uses the loan funds for the approved purposes and maintains the average size of its full-time workforce based on when it received the loan, the principal of the loan will be forgiven, meaning the company will only need to pay back the interest accrued.

SCWA will host a webinar on the impact and implementation of the Stimulus Package once the details are analyzed and appropriate information is available. Again we are here to support the car wash community but please remember it is the responsibility of our individual members to make the best decisions for their business; their customers and employees.

Here are additional links to resources that may be helpful:

[SBA Coronavirus Small Business Guidance](#)

[CDC Coronavirus Guidelines](#)

[NFIB Coronavirus & Small Business](#)

Thanks; stay safe and please let us know if you have additional questions.

Chuck