

UMA Online TOWN HALL

Coronavirus relief **next steps**



Housekeeping

- **Please keep your microphone muted.**
- **Please refrain from sales/promotion in the chat room.**
- **Thank you! Enjoy the meeting.**

Today's Agenda

"Next steps"

1—Welcome & Intro

Larry Killingsworth, UMA President/CEO

2—Holiday Video

Bob Crescenzo and Kevin Creighton

3—Recognition

Gang of Twelve

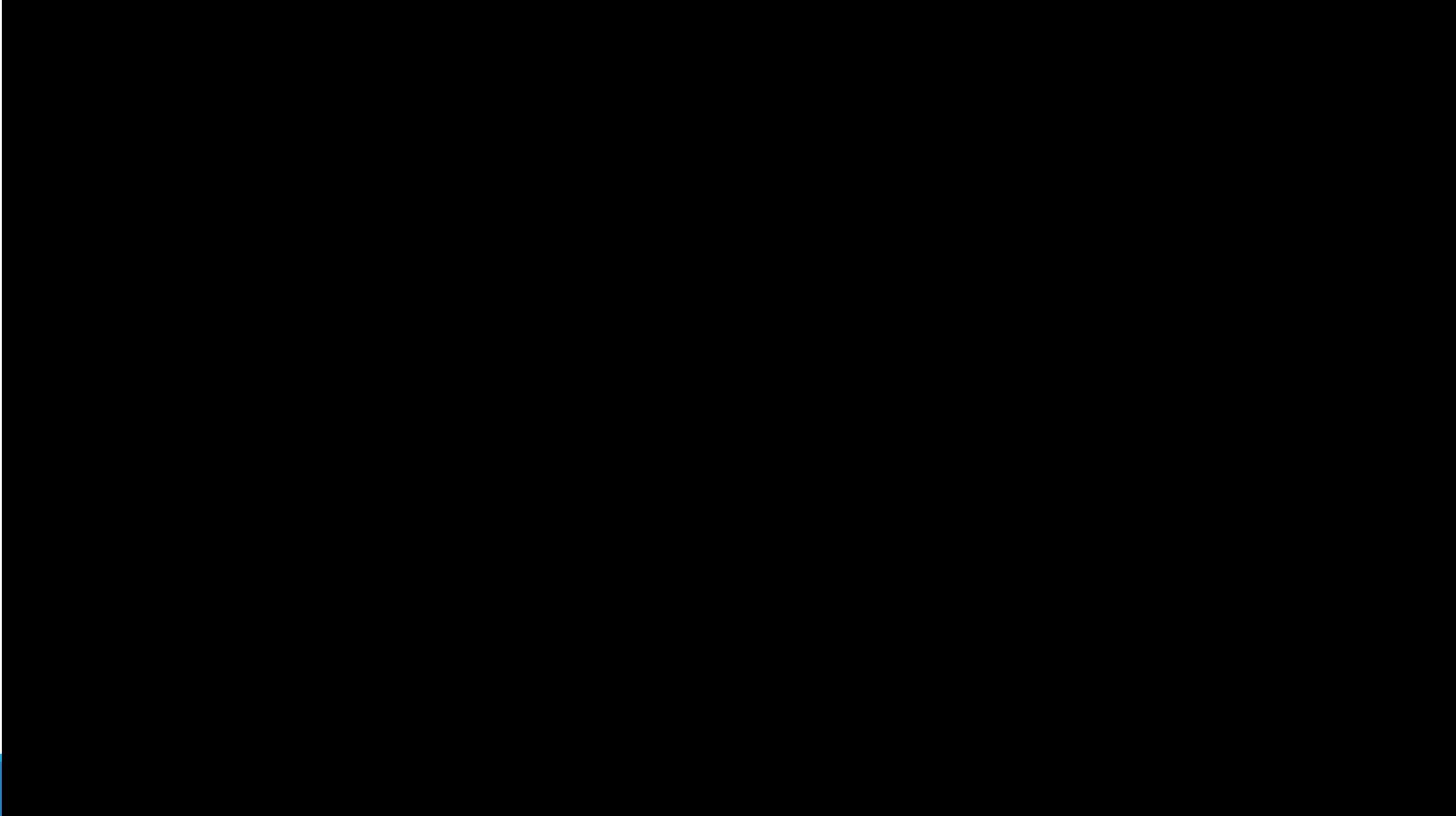
4—Legislative Update

Ken Presley, UMA

Becky Weber, Prime Policy

5—Final Thoughts

Larry Killingsworth





Mike Canine, Lorenz Bus

Jeff Greteman, Windstar Lines

Kyle DeVivo, DATTCO & The Bus Network

Adam Hall, Bridgestone Americas

Clint Guth, Chelax Industries

Eric Elliott, Distinctive Systems

Greg Gallup, Royal Coach Tours

John Meier, Badger Bus

Luke Busskohl, Arrow Stage Lines

Pattie Cowley, GNJMA & PBA

Terry Fischer, Transportation Charter Services (TCS)

Trisha Fridrich, The L&W Team



LEGISLATIVE UPDATE

 **UMA Online**
TOWN HALL



Almost there...

Coronavirus Economic Relief for Transportation Services (CERTS) Act

- \$2 Billion fiscal year 2021
- Over-the-road bus
- Private school bus contractors
- U.S. flagged passenger vessels

Coronavirus Economic Relief for Transportation Services (CERTS) Act

Secretary of the Treasury will consider information provided by the provider of transportation services, including—

- The amount of debt owed on major equipment.
- Other sources of Federal assistance provided.
- Other information as the Secretary may require.

Coronavirus Economic Relief for Transportation Services (CERTS) Act

Out of any funds in the Treasury not otherwise appropriated, there are appropriated to provide **grants** to eligible providers of transportation services under this section, \$2,000,000,000 for fiscal year 2021, to remain available until expended.

Coronavirus Economic Relief for Transportation Services (CERTS) Act

- 60 percent of the funds, must be spent on payroll costs of the provider of transportation services.

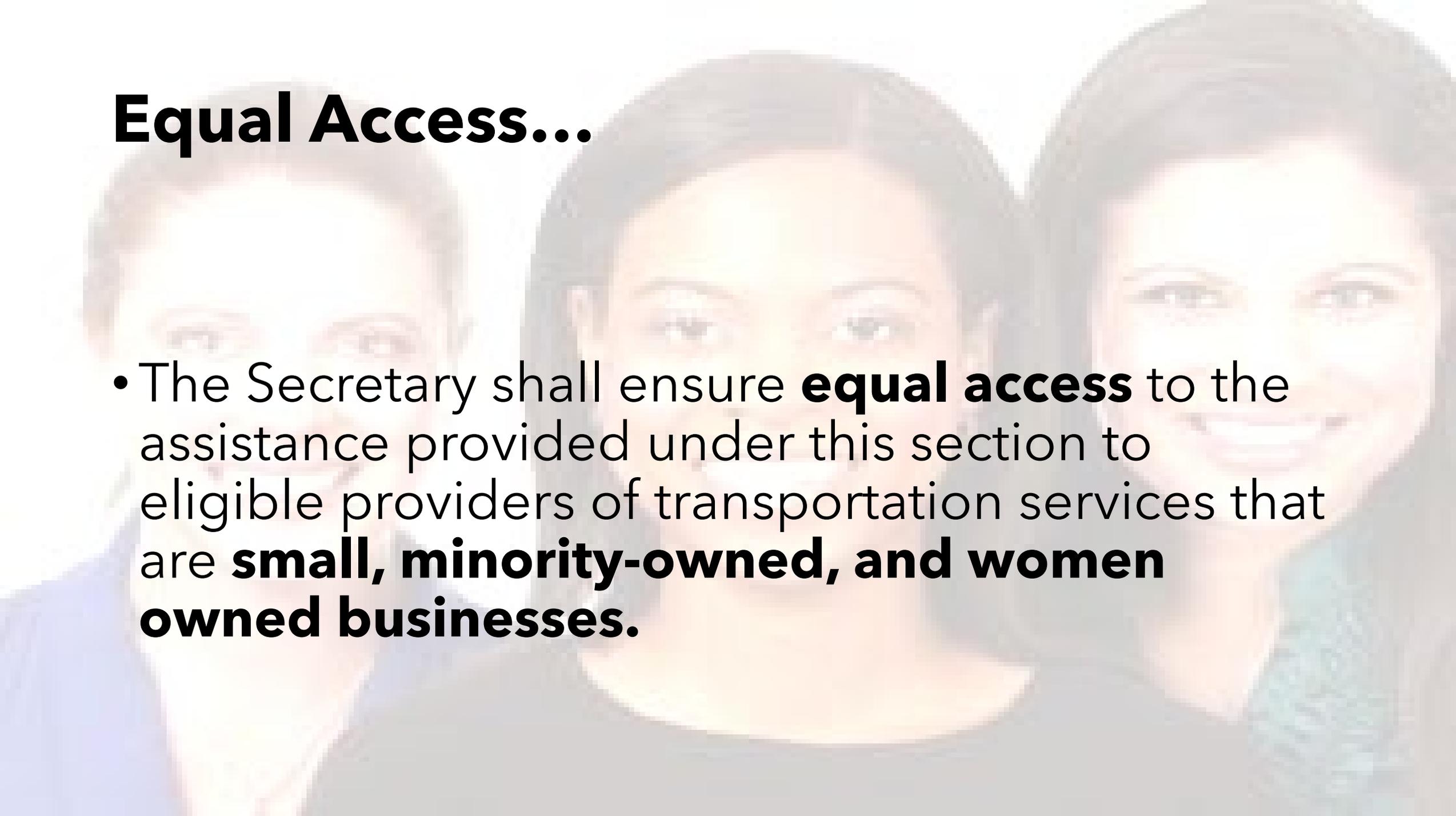
Coronavirus Economic Relief for Transportation Services (CERTS) Act

- Recipients will commence using the funds– on a priority basis and **to the extent available**, to maintain through the applicable covered period, expenditures on payroll costs for all employees as of the **date of enactment**.

Coronavirus Economic Relief for Transportation Services (CERTS) Act

Other eligible expenses for assistance includes -

- Acquisition of services, equipment (including PPE and other measures needed to protect workers and customers from COVID-19).
- Continued operations and maintenance during the applicable covered period of existing capital equipment and facilities including -
 - rent,
 - leases,
 - insurance,
 - interest on debt service.

A blurred background image showing the faces of three people, likely a man and two women, looking towards the camera. The image is out of focus, with the text overlaid on top.

Equal Access...

- The Secretary shall ensure **equal access** to the assistance provided under this section to eligible providers of transportation services that are **small, minority-owned, and women owned businesses.**

Coronavirus Economic Relief for Transportation Services (CERTS) Act



Small Business...

- **EIDL Grant Program - \$20 Billion**
- Includes \$20 billion for EIDL Advance grants. Small businesses and nonprofits in low-income communities are eligible to receive \$10,000 grants. Any small businesses and nonprofits in low-income communities that received an EIDL Advance previously are also eligible to receive **the full \$10,000 if their award was less in the first round of grants.**

Small Business...

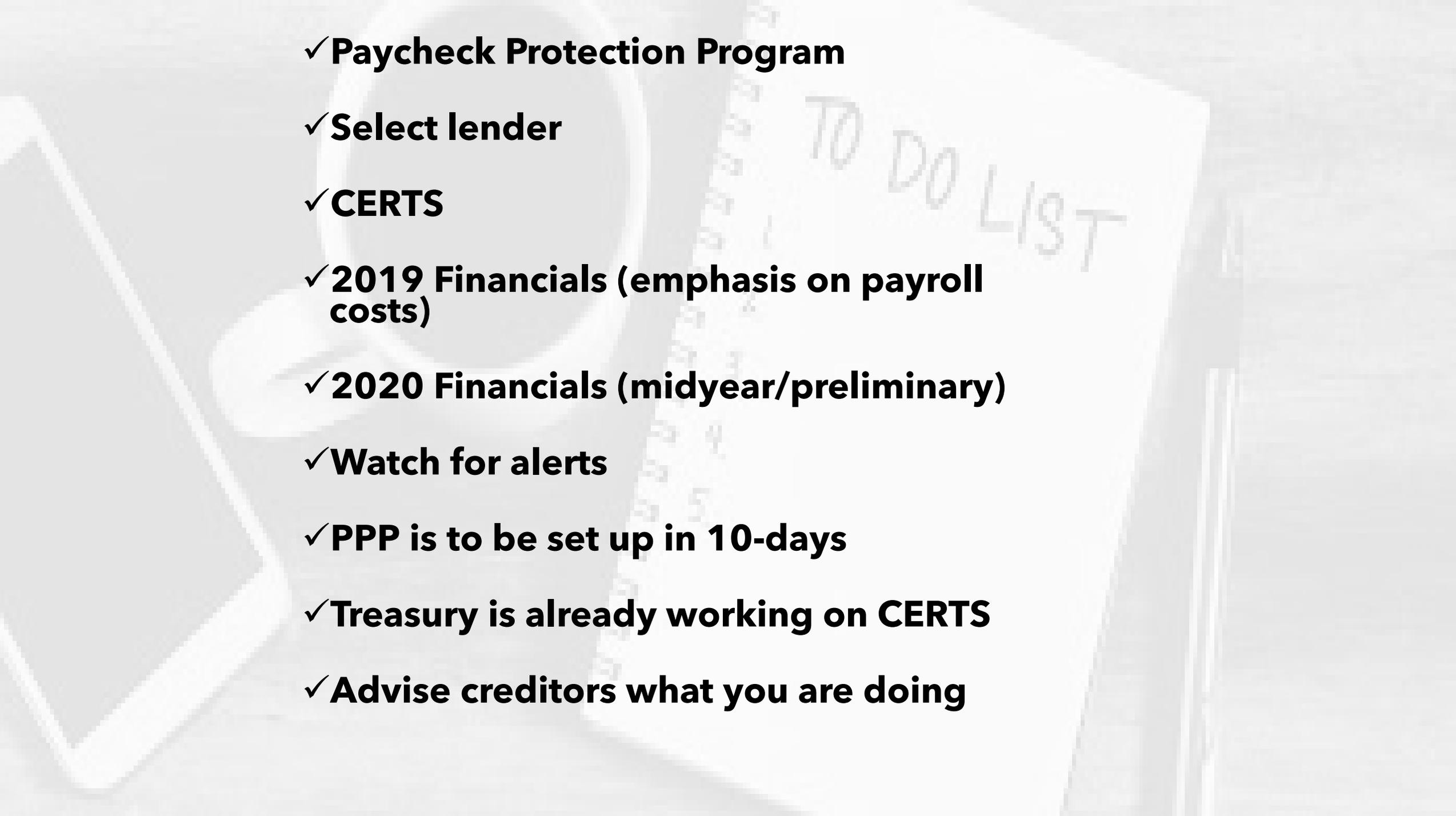
Clarification of Tax Treatment of Paycheck Protection Program Loans

Specifies that forgiven Paycheck Protection Program (PPP) loans **will not be included in taxable income**. It also clarifies that **deductions are allowed** for expenses paid with proceeds of a forgiven PPP loan, effective as of the date of enactment of the CARES Act and applicable to subsequent PPP loans.

This same tax treatment also applies to EIDL grants and certain loans and loan repayment assistance.

Small Business...

- **Small Business - \$325 Billion**
- Critical funding and policy changes to help small businesses, including minority-owned businesses, and nonprofits recover from the pandemic.
- Includes **\$284 billion** for the Paycheck Protection Program (PPP) and extends PPP through **March 31, 2021**. Changes to PPP include:
- Provides a second PPP forgivable loan for the hardest-hit small businesses with 300 or fewer employees and that can demonstrate a **loss of 25% of gross receipts in any quarter during 2020** when compared to the same quarter in 2019;
- Expands PPP eligibility including tourism promotion organizations and local chambers of commerce;
- Allows for small businesses in the restaurant and *hospitality industries* to receive larger awards of 3.5 times average total monthly payroll, rather than 2.5 times;
- Simplifies the forgiveness process for loans of \$150,000 and less;
- Repeals the requirement of deducting an EIDL Advance from the PPP forgiveness amount.

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- ✓ **Paycheck Protection Program**
 - ✓ **Select lender**
 - ✓ **CERTS**
 - ✓ **2019 Financials (emphasis on payroll costs)**
 - ✓ **2020 Financials (midyear/preliminary)**
 - ✓ **Watch for alerts**
 - ✓ **PPP is to be set up in 10-days**
 - ✓ **Treasury is already working on CERTS**
 - ✓ **Advise creditors what you are doing**

Miscellaneous...

Sec. 206 & 207. Employee retention tax credit modifications. The provision extends and expands the CARES Act employee retention tax credit (ERTC). It also contains technical corrections to the CARES Act.

- Beginning on January 1, 2021 and through June 30, 2021, the provision:
 - Increases the credit rate from 50 percent to 70 percent of qualified wages;
 - Expands eligibility for the credit by reducing the required year-over-year gross receipts decline from 50 percent to 20 percent and provides a safe harbor allowing employers to use prior quarter gross receipts to determine eligibility;
 - Increases the limit on per-employee creditable wages from \$10,000 for the year to \$10,000 for each quarter;
 - Increases the 100-employee delineation for determining the relevant qualified wage base to employers with 500 or fewer employees;
 - Allows certain public instrumentalities to claim the credit; and
 - Provides rules to allow new employers who were not in existence for all or part of 2019 to be able to claim the credit.
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- Retroactive to the effective date included in section 2301 of the CARES Act, the provision:
 - Provides that employers who receive Paycheck Protection Program (PPP) loans may still qualify for the ERTC with respect to wages that are not paid for with forgiven PPP proceeds;
 - Clarifies the determination of gross receipts for certain tax-exempt organizations; and
 - Clarifies that group health plan expenses can be considered qualified wages even when no other wages are paid to the employee, consistent with IRS guidance.

Miscellaneous...

- **Extended SBA Debt Relief Payments - \$3.5 Billion**
- This bill provides \$3.5 billion to resume debt relief payments of principal and interest (P&I) on small business loans guaranteed by the SBA under the 7(a), 504 and microloan programs. All borrowers with qualifying loans approved by the SBA prior to the CARES Act will receive an additional three months of P&I, starting in February 2021. Going forward, those payments will be capped at \$9,000 per borrower per month. After the three-month period described above, borrowers considered to be underserved—namely the smallest or hardest-hit by the pandemic—will receive an additional five months of P&I payments, also capped at \$9,000 per borrower per month. SBA payments of P&I on the first 6 months of newly approved loans will resume for all loans approved between February 1 and September 30, 2021, also capped at \$9,000 per month.

Miscellaneous...

Enhancements of SBA Lending Programs - \$2 Billion

- Provides \$2 billion to enhance SBA's core programs, including 7(a), Community Advantage, 504, and the Microloan program, by making them more affordable and useful to small businesses. It also provides \$57 million for the SBA Microloan Program to provide technical assistance and leverage

Coronavirus Relief Fund Extension

- Extends the availability by one year (until Dec. 31, 2021) for funds provided to states and localities by the Coronavirus Relief Fund in the CARES Act.

Miscellaneous...

Temporary allowance of full deduction for business meals.

- The provision provides a 100-percent deduction for business meal food and beverage expenses provided by a restaurant that are paid or incurred in 2021 and 2022. Currently, the deduction is available for only 50 percent of such expenses.

Miscellaneous...

Intercity Bus Security Grant

- \$2,000,000 for Over-the-Road Bus Security

Holiday wishes from the Team at UMA

Wishing you strength, health, peace and joy in this season of hope. We look forward to a new year filled with promise and the opportunity to continue to serve our wonderful motorcoach industry family.

Larry Killingsworth Carrington Blake

Antonio Thomas

Ken Peasley

Julie Ryder

Shandra Martinez

Kim Streibel

