

# Dealer Advisory

April 8, 2020



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A regularly updated "**Coronavirus Toolkit**" is available within the MADA website. [Click here](#)

## Vehicles for Municipalities and Police Departments

The governor's office has posted an update to the [FAQ companion document](#) for Executive Order, No. 2020-21, which temporarily suspends activities that are not necessary to sustain or protect life.

### **Q: Can vehicles under an existing contract be delivered to police departments?**

A: Yes. Under section 9(b) of Executive Order 2020-21, a business or operation that employs critical infrastructure workers may designate suppliers to provide necessary support to the work of those critical infrastructure workers. Accordingly, municipalities and law enforcement agencies that have contracts to receive police vehicles that are necessary for their critical infrastructure workers may designate the suppliers of those vehicles and may continue to receive vehicles from them as needed, and the suppliers may continue to provide those needed vehicles and may designate workers to perform any in-person work that is strictly necessary to do so. All work under the order must be performed remotely to the greatest extent possible, and any in-person work must be done in accordance with the mitigation measures required under section 5 of the order.

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### ***Processing these sales...***

Most of these transactions are not able to be processed electronically to the state. Therefore, any dealership with a sale of this type is advised to complete all paperwork necessary for processing with the state. Once the vehicles are delivered, please email Debbie Stapleton-Korn at [dkorn@michiganada.org](mailto:dkorn@michiganada.org) with the number of transactions you have, your store name and contact information. We will then let the state know and the SOS will reach out to you.

***Additional note:*** MADA and DADA are still communicating with the governor's office and other legislative leaders to request limited, appointment-only vehicle sales. Buying a vehicle is a planned, researched event – not an impulse purchase. Individuals and families purchase a vehicle when they *need* a vehicle. Sales studies as of the end of last week show Michigan is currently losing motor vehicle sales to surrounding states that have allowed showrooms to remain open with strict guidelines in place.

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## **Dealer Tip: Check Your Facebook Social Media**

Dealers may want to check their Facebook pages to make sure the information tagged about their dealerships is accurate. It appears some vendors from out of state are creating social media ads stating the dealership is open for sales and ready for business. A few dealers have had to contact their vendor to take down the ad. They also wanted to alert other dealers of this issue.

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## **What Changed with the House and Senate Vote on Tuesday?**

Governor Whitmer made a request that her emergency powers continue for 70 days. This request required approval by the Michigan Legislature. The House and Senate met on Tuesday in very unique and strict circumstances and voted to extend the governor's emergency power through April 30, 2020. This approval allows the governor to continue operating with emergency power through

the end of month. **The vote does not change the current executive orders in effect, but it does allow the governor to update the orders or announce new orders through the end of month.**

We anticipate Governor Whitmer will revise Executive Order 2020-21, which directs all non-critical businesses to temporarily close and directs all Michiganders to stay home or six feet away from others. We expect to hear more from the governor by the end of this week, which will give Michigan residents and businesses more guidance on next steps.

MADA and DADA will update members as soon as we know more.

## News from NADA

### NADA Updates FAQs on CARES Act Paycheck Protection Program

**NEW!** Apr. 7 -- NADA has updated its [CARES Act FAQs](#) that include information on the Paycheck Protection Program (PPP). The FAQs incorporate the new guidance on PPP loans and information on SBA Economic Injury Disaster Loans, tax provisions and changes to unemployment assistance. On April 6, the Treasury Department also released [FAQs on the PPP](#). On April 2, the Small Business Administration [issued an interim final rule](#) on the implementation of the PPP of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

- **The rule clarifies the computation of payroll costs.** Specifically, the following costs are **not** included when computing payroll costs for the initial loan application and for loan forgiveness: Federal employment taxes imposed or withheld between February 15, 2020, and June 30, 2020, including the employee's and employer's share of FICA and Railroad Retirement Act taxes; and income taxes required to be withheld from employees.
- **Bottom line:** all the federal taxes imposed or withheld during the 12 months prior to the loan may be included in payroll costs, except for the period shown above.
- **Dealers can submit PPP applications.** PPP loans will be made first-come, first-served, with funds available until they're exhausted. Dealers interested in PPP funding should contact their lenders as soon as possible to secure funding before the appropriated money has been exhausted.

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### Franchisor Identifier Codes (FIC)

**UPDATED!** Apr. 6 -- NADA has published the current list of franchisor identifier codes for Small Business Administration loan applications that have been granted to date. [View the document](#)

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### Webinars from NADA This Week

#### **Apr. 8 -- Build a 60 Day Profit Protection Plan**

Wednesday, April 8, 1pm-2pm ET ( [register](#))

Expense management expert Doug Austin will show you how to build a profit protection plan to save 25% or more in the short and long terms. Q&A session will follow.

#### **Apr. 9 -- Managing Service Operations: Making it through the COVID-19 Pandemic**

Thursday, April 9, 1pm-2pm ET ( [register](#))

NADA/ATD Academy instructors Bob Atwood and Larry Hourcle will discuss best practices for managing a critical part of dealership operations: the service department. Q&A session will follow.

#### **Apr. 10 -- The Best Ideas from NADA 20 Groups: In Times of COVID-19 Pandemic**

Friday, April 10, 1pm-2pm ET ( [register](#))

Tim Gavin, NADA 20 Group consultant, will highlight best ideas for business development, digital and traditional marketing, new-vehicle sales, service operations and used-vehicle sales during this pandemic. Q&A session will follow.

**Recordings of all Dealership Lifeline Webinars** to date are available to NADA and ATD

## Plante Moran: Comparison of Employer Tax Incentives

Two pieces of recent legislation provide several tax incentives for employers through the payroll tax system. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on March 27, 2020, and supplemented the Families First Coronavirus Response Act (FFCRA), signed into law on March 18, 2020.

The payroll tax provisions in each piece of legislation include:

- **Employee retention credit:** A \$5,000 refundable payroll tax credit for certain employers that retain employees.
- **Employer payroll tax deferrals:** Deferral of an unlimited amount of employer Social Security taxes to the end of 2021 and 2022.
- **Payroll credit for required sick leave:** A refundable payroll tax credit equal to any payments of the new required sick leave.
- **Payroll credit for required family leave:** A refundable payroll tax credit equal to any payments of the new required family leave.

Each of these incentives provide opportunities for employers to obtain immediate access to cash. When immediate access is not available, employers are permitted to request refunds that the IRS has indicated it will process within two weeks. The CARES Act also created a new Payroll Protection Program, administered by the Small Business Administration, to provide loans to businesses with less than 500 employees.

While this variety of tax incentives provides a much-needed source of liquidity for many businesses, they have also created a good deal of confusion regarding the application of the incentives, their interaction with each other, and interaction with the small business loan programs...

[Keep reading here](#)

### Additional information from Plante Moran...

- [CARES Act analysis](#)
- [CARES Act webinar](#)
- [FFCRA analysis](#)
- [FFCRA webinar](#)

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## REAL ID Deadline Has Been Extended

Due to circumstances resulting from the COVID-19 pandemic, the Department of Homeland Security has extended the REAL ID enforcement deadline. The new deadline is October 1, 2021.



Extending the deadline will also allow the Department to work with Congress to implement needed changes to expedite the issuance of REAL IDs once the current health crisis concludes. ([Full press release](#))

Please feel free to contact DADA at (248) 643-0250 or MADA at (800) 292-1923 if you have any questions.

*This advisory has been prepared in conjunction with  
Colombo & Colombo, P.C., and Abbott Nicholson, P.C.*

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**Michigan Automobile Dealers Association**

1500 Kendale Boulevard, P.O. Box 2525

East Lansing, MI 48826-2525

[www.michiganada.org](http://www.michiganada.org)

Phone (517) 351-7800

Fax (517) 351-3120

**Detroit Auto Dealers Association**

1900 West Big Beaver

Troy, MI 48084-3537

[www.dada.org](http://www.dada.org)

Phone (248) 643-0250

Fax (248) 643-8788