

# Dealer Advisory

March 26, 2020



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## Senate Passes Next Phase of the Coronavirus Response

A regularly updated "**Coronavirus Toolkit**" is available within the MADA website. From the [home page](#), go to the *FAQ* tab and select *Coronavirus Toolkit* or [click here](#).

We realize dealers are waiting to hear what Governor Whitmer may say about car and truck sales during the "Stay Home, Stay Safe" shutdown. As of noon today, **the governor has not granted any exemptions to any requests**. We know various businesses throughout the state of Michigan have requested small exceptions in an effort to continue serving residents of Michigan in a nominal manner. To date, none of these exceptions have been granted. As such, automotive sales remain closed.

MADA and DADA will continue to communicate with the governor's office and keep her informed of struggles dealers and their customers are having related to the total closure of automotive sales.

Following are a few additional updates related to the COVID-19 pandemic. MADA and DADA will send more information when we have further clarification from the governor.

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*News from NADA*

### Senate Passes Phase 3 Coronavirus Response

**NEW! March 26** -- Late last evening, the Senate passed the nearly \$2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act. This bill, known as Phase 3, is extremely beneficial for dealerships of all sizes and includes generous and unprecedented provisions to help provide liquidity for dealerships and to help businesses keep their employees on the payroll. The House of Representatives is expected to vote on the Senate measure tomorrow; and the President has pledged to sign the bill into law quickly.

NADA advocated for provisions included in the Senate bill, such as new federal funding to cover operational and payroll expenses for small businesses through June 30, deferring payroll tax payments for employers, and other important tax relief. NADA continues to advocate for the broadest possible business relief to help dealerships continue in operations and retain employees. The following provides a preliminary summary of provisions of most interest to franchised dealers.

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#### **Employee retention credit**

Dealers who have been forced to close their business due to a government-mandated shutdown will be allowed a refundable payroll tax credit for retaining their employees. The credit is generally available to dealers whose operations have been fully or partially closed due to a government mandate and whose gross receipts have declined by more than 50%. For dealers with 100 or fewer employees, all employee wages qualify for the credit regardless of whether the business is shut down or not. The credit is limited to the first \$10,000 of compensation paid per employee. This credit is available through the end of 2020.

[Keep reading here.](#)

**NOTE: the situation with this federal support package is fluid and additional changes are quite**

likely. Please continue to follow this topic to ensure you have the most current information.

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### *Families First Coronavirus Response Act (FFCRA)*

## **Mandatory New Business Poster Requirement**

**NEW! March 25** -- The U.S. Department of Labor has released a [notice of FFCRA requirements](#) that each covered employer **must** post in a conspicuous place on its premises.

The notice is accompanied by a set of FAQs. Following are two of these questions and answers, but employers should read the [full FAQ here](#).

- **I am a small business owner. Do I have to post this notice?** Yes. All employers covered by the paid sick leave and expanded family and medical leave provisions of the FFCRA (i.e., certain public sector employers and private sector employers with fewer than 500 employees) are required to post this notice.
- **Where do I post this notice? Since most of my workforce is teleworking, where do I electronically “post” this notice?** Each covered employer must post a notice of the Families First Coronavirus Response Act (FFCRA) requirements in a conspicuous place on its premises. An employer may satisfy this requirement by emailing or direct mailing this notice to employees, or posting this notice on an employee information internal or external website.

In addition to the new poster, the U.S. DOL has created two new fact sheets about the Families First Coronavirus Response Act:

- [Employee Paid Leave Rights](#)
- [Employer Paid Leave Requirements](#)

All these documents, plus others, can be found at the U.S. DOL's webpage for [COVID-19 and the American Workplace](#).

**Fisher Phillips has also created a legal alert addressing the new poster requirement. [Please read more here.](#)**

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## **Oakland County Order Requires Screening and Social Distancing**

Yesterday, [DADA notified](#) its members that the Oakland County Health Officer issued an order requiring employers in Oakland County to implement (1) screening procedures for employees of essential businesses and (2) social distancing for employees and customers. The full order can be found [here](#).

We know local health departments are closely following COVID-19 cases within their region and taking necessary action when required. We remind dealers to keep updated with any additional requirements of your local governments. We will make note in these advisories when possible, but we may not hear of actions taken by local governments in a timely manner. Dealers are welcome to inform us if their county enacts similar requirements. We would be happy to pass the information along.

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## **Seven Coronavirus Scams Targeting Businesses**

**NEW! March 25** -- The Federal Trade Commission is warning businesses and consumers about Coronavirus-related scams. Keep your guard up against B2B scams that try to exploit companies' concerns about COVID-19. [Read more here.](#)

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## Temporary Expansions in Unemployment Eligibility and Cost-Sharing

**NEW! March 25** -- Governor Whitmer signed [Executive Order 2020-24](#), clarifying how the expansion of eligibility for unemployment benefits during the COVID-19 will work. (This new EO replaces EO 2020-10.)

The order:

- Suspends the requirement for an individual seeking unemployment to request a registration and work search waiver from their employer;
- Allows anyone with an active unemployment claim to receive up to a six-week benefit extension.
- Expands cost-sharing with employers. Any benefit paid to a claimant that is laid off or placed on a leave of absence will not be charged to the employer's accounts, but instead will be pooled and assumed by the Nonchargeable Benefits Component of employer accounts. Employers who unlawfully misclassify their workers and have underpaid their unemployment tax do not get the benefit of this enhanced cost-sharing.

[Keep reading here.](#)

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### REMINDER: SUW Taxes Due March 20 Can Be Postponed

Small businesses that have experienced disrupted operations due to the COVID-19 pandemic were given additional time to make their sales, use and withholding tax monthly payment, according to the Michigan Department of Treasury.

Small businesses scheduled to make their monthly sales, use and withholding tax payments on March 20 have been allowed to postpone filing and payment requirements until April 20. The state Treasury Department will waive all penalties and interest for 30 days.

For more information:

- [Press release from Treasury](#)
- [SUW Penalty and Interest Waiver Notice](#)

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