



April 2, 2020

DEALERSHIP INFORMATIONAL ADVISORY  
**COVID-19 UPDATE #10**

**CARES Act Information, Essential Businesses  
Update, and Late Fees Waived for Vehicle  
Registration**

**CARES ACT INFORMATION**

Today brought a flood of information related to the new CARES Act. As a quick reminder, on March 27 President Trump signed into law the \$2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act. The bill is beneficial for dealerships of all sizes and includes generous provisions to help provide liquidity for dealerships and keep employees on the payroll.

The primary focus today was on the SBA Paycheck Protection Program (PPP). Time is critical in order for all Arkansas dealers to access this loan program. As an overview, the program is available to eligible businesses that have paid salaries and payroll taxes prior to February 15, 2020, and have fewer than 500 employees. For auto groups with more than 500 employees, eligibility affiliation rules may be waived under certain criteria. Here is the current list of SBA franchise identification numbers for those dealer groups with more than 500 employees: [SBA Franchise ID Numbers](#).

Ultimately, the PPP provides \$350 billion for 100% federally guaranteed loans for eight weeks. Additionally the bill defers these loans for up to six months. Finally, PPP applications can be submitted beginning this Friday, April 3.

**NADA WEBINAR**

NADA launched the first of its Dealership Lifeline Webinar Series today. The webinar discussed the availability of Paycheck Protection Program loans to dealerships under that new law, and was titled "Making Sense Out of the New SBA Paycheck Protection Program: Practical Considerations for Dealers."

[A recording of today's webinar is now available](#), and you can find the loan application and program details [here](#).

## **DIXON HUGHES WEBINAR**

DHG Dealerships also offered a very information webinar today that focused on the PPP loan provisions as well as some more in depth tax implications of the new act. Highlights of the webinar included:

- SBA Loan Provisions & Options
- Significant Tax Incentives & Opportunities
- Interplay with Families First Coronavirus Response Act
- State Tax Implications

If you would like to watch this presentation and get the materials click on [DHG Dealerships webinar](#).

## **THINGS TO REMEMBER**

Don't forget, the date to start applying for these loans is Friday, April 3. Talk to your SBA preferred lending institution and your accountant to make sure you're application is properly prepared. Pay particular attention to the items that should be included in the average monthly payroll calculation:

- Wages, salaries, commissions, or similar compensation
- NOTE: Inclusion of performance pay is very important
- Cash or tip equivalent
- Paid leave (vacation, sick, parental, family, medical or sick)
- Separation or dismissal allowances
- Group health benefits and insurance premiums
- Retirement benefits
- State or local employment taxes

And those items that should NOT be included in the average monthly payroll calculation:

- Payroll and income tax withholdings
- Cost of Sick and FMLA eligible for tax credits under FFRCA (government funded).
- Compensation for individual employees in excess of an annual rate of \$100,000
- Compensation for non-residents of USA.

Also, make sure you start planning now to ensure you are able to receive the most favorable forgiveness of this loan amount.

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## **ESSENTIAL BUSINESS UPDATE**

I wanted to update dealers on the latest list of states that have experienced Executive Orders regarding essential business operations. Governor Hutchinson has continued to show great leadership and worked hard to balance the need for businesses to continue to operate in Arkansas against the continued spread of COVID-19. For a list of state with links to the various orders across the country click here, [State by State Executive Order Listings](#). AADA will continue to work with the Governor's office on this issue.

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## **ARKANSAS WAIVING LATE VEHICLE REGISTRATION PENALTIES**

Arkansas will temporarily waive penalties for late registration on vehicles and tag renewal, the state Department of Finance and Administration announced Monday of this week.

The agency said it will waive penalties for late registration and renewal through April 16.

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## ADDITIONAL AND HELPFUL LINKS

For additional information related to maintaining your dealership as safe, we would recommend monitoring updates from the CDC, [link](#), and OSHA, [link](#).

Please go to our website for links to information your dealership needs at [AADA coronavirus update](#).

AADA will work to keep you updated on this situation, but a firm commitment to maintaining a safe and clean work environment for your employees and customers will help you navigate this health crisis.

If you have any questions about this bulletin please don't hesitate to call, 501-372-2596, or email Greg Kirkpatrick [greg@arkautodealers.com](mailto:greg@arkautodealers.com).