TTAA Legislative Update

May 3, 2021

Sen. Carper asks EPA to require half of new cars to be zero-emissions by 2030

The standards Carper called for would require half of all new light passenger vehicles to be zero-emission by decade's end, and for all of them to be zero-emission by 2035.

In a letter to EPA administrator Michael Regan, Carper notes that Trump-era EPA rules both relaxed emission standards and authorized the federal government to overrule state-level emissions and electric vehicle standards.

While Carper acknowledges the Biden administration has announced several steps to revisit those rules, he also cites moves by other countries, particularly China, that are "better preparing" for a transition away from fossil fuel-powered vehicles.

"If the U.S. does not establish a robust policy that leads to zero emission vehicle deployment ... we will be at risk of losing our automotive jobs and industry leadership to other nations, as well as enduring unnecessary public health impacts from pollution," Carper wrote.

"The future of automobile manufacturing sector is at a crossroads. The Clean Air Act provides sufficient authority for the U.S. EPA to rise to this challenge," he added. "EPA can establish requirements on new cars that would significantly reduce air pollution harming communities, put the nation on track to maintain its leadership in vehicle technology, and make significant progress in fighting climate change."

Carper, who has long been an environmental advocate but is not associated with the progressive wing of his party, noted that the standard would also be in line with numerous steps already independently taken by automakers. Ford, for example, has said all new vehicles sold in Europe will be electric by 2030, while Volkswagen has set a target of 70 percent electric vehicles in Europe and 50 percent in the U.S. and China by 2030.

California Gov. Gavin Newsom (D) announced the statewide standards in a September executive order, which also aims to require medium- and heavy-duty vehicles in the state to be zero-emissions by 2045.

Highway Funding and Flexibility Letter

Dear Speaker Pelosi, Majority Leader Schumer, and Minority Leaders McCarthy and McConnell:

Thank you for your continued commitment to investing in America's infrastructure. Recently, the American Association of State Highway and Transportation Officials (AASHTO) released their policy and funding recommendations for an infrastructure package and surface transportation reauthorization. They highlight the $756 billion highway and bridge investment backlog that our country currently faces. We urge you to support AASHTO's request to authorize $200 billion in highway and bridge stimulus in 2022 to be obligated through 2026 and drive down this unacceptable backlog. We call on Congress to provide the necessary funding and flexibility to states and local communities to make this critical investment in America's roadways for all of its people.

The past year has proven why we must continue to invest in our nation's roads and bridges. Americans were able to buy groceries and doctors able to receive essential medical supplies thanks to truck drivers, and motor coach drivers were able to move critical health care workers to COVID "hot spots" around the country to support relief efforts, all on our nation's roadways. Commerce continued, first responders arrived at work, and critical services continued when much of the country was paralyzed all due to our roads. As we speak, these roadways are helping facilitate the mass distribution of vaccines to communities throughout the country. America will overcome this pandemic, in part, because of past investment in our nation's roadway system.

In addition to the pandemic, our nation has faced several years of active hurricane and wildfire seasons. These natural disasters forced mass evacuations by bus and other means in many parts of the country, disproportionately affecting people of color and low-income individuals who are more likely to live in areas vulnerable to climate change impacts. Our first responders bravely stepped forward and responded to these disasters because of the access our nation's roadway system provides.

We want to partner with you to build upon this roadway system and ensure that all Americans, regardless of socioeconomic status, have the connectivity they need to flourish in their communities. However, states and local governments need flexibility to serve the varying transportation needs of those communities. The transportation inequities faced by citizens living in urban areas are not the same as those living in rural parts of the country. One-size -fits-all mandates on state and local communities limiting their ability to construct new highway capacity could stymie efforts to better connect disadvantaged communities and Tribes to jobs, healthcare facilities, and schools, or to better link businesses in those communities to their markets.

The events of the past year highlight the proven value of investment in America's roadways. The nation's highway system continues to be central to our broader transportation system, our safety and security, and serves as the backbone of our entire economy. We recognize the need to reassess the federal infrastructure priorities and support continued investment in transit and other modes of transportation. However, it is crucial to provide states and local communities with needed funding and flexibility on how to appropriately invest in our essential roads and bridges. We look forward to partnering with you to provide this much needed highway and bridge investment.

Sincerely,

TTAA and other trade associations

Senate Republicans Release Infrastructure Framework

On April 22nd, Senators Shelley Moore Capito (R-W.Va.), Ranking Member of the Environment and Public Works (EPW) Committee; Roger Wicker (R-Miss.), Ranking Member of the Commerce, Science, & Transportation Committee; Pat Toomey (R-Pa.), Ranking Member of the Banking, Housing, & Urban Affairs Committee; Mike Crapo (R-Idaho), Ranking Member of the Finance Committee, and John Barrasso, Ranking Member of the Energy and Natural Resources (ENR) Committee, released a $568 billion infrastructure framework. **Click here to view.**

The framework covers a five-year period and is intended to serve as a guide as Congress continues to craft bipartisan bills that will hopefully move by regular order. The framework defines infrastructure as: roads and bridges; public transit systems; rail; safety; drinking water and wastewater infrastructure; inland waterways and ports; airports; broadband infrastructure; and water storage.

The categories covered in the framework include:

- $299 billion for roads and bridges
- $61 billion for transit
- $20 billion rail
- $35 billion for drinking and wastewater
- $13 billion for safety
- $17 billion for ports and inland waterways
- $44 billion airports
- $65 billion broadband
- $14 billion for water storage

The framework suggests partnering with state and local governments on spending, encouraging private sector investment, and that the funding should flow through exiting formula programs and discretionary programs.

The framework recommends paying for the program by shoring up infrastructure related trust funds, ensuring all users are paying (ex: electric vehicles), and repurposing unused federal spending. The proposal also stresses that the Tax Cuts and Jobs Act should be preserved and avoid any corporate tax increases.

Small business owners are happy to see the Republican Ranking Members are working together and striving to offer a negotiation tool to develop a bipartisan reauthorization bill. We also appreciate their efforts to ensure that roads and bridges receive increased funding over current levels.

American Rescue Plan Tax Credits Available to Small Employers to Provide Paid Leave to Employees Receiving COVID-19 Vaccines; New Fact Sheet Outlines Details

The Internal Revenue Service and the Treasury Department announced today further details of tax credits available under the American Rescue Plan to help small businesses, including providing paid leave for employees receiving COVID-19 vaccinations.

The additional details, provided in a fact sheet released today, spell out some basic facts about the employers eligible for the tax credits. It also provides information on how these employers may claim the credit for leave paid to employees related to COVID-19 vaccinations.

Eligible employers, such as businesses and tax-exempt organizations with fewer than 500 employees and certain governmental employers, can receive a tax credit for providing paid time off for each employee receiving the vaccine and for any time needed to recover from the vaccine. For example, if an eligible employer offers employees a paid day off in order to get vaccinated, the employer can receive a tax credit equal to the wages paid to employees for that day (up to certain limits).

"This new information is a shot in the arm for struggling small employers who are working hard to keep their businesses going while also watching out for the health of their employees," said IRS Commissioner Chuck Rettig. "Our work on this issue is part of a larger effort by the IRS to assist the nation recover from the pandemic."

The American Rescue Plan Act of 2021 (ARP) allows small and midsize employers, and certain governmental employers, to claim refundable tax credits that reimburse them for the cost of providing paid sick and family leave to their employees due to COVID-19, including leave taken by employees to receive or recover from COVID-19 vaccinations. Self-employed individuals are eligible for similar tax credits.

The ARP tax credits are available to eligible employers that pay sick and family leave for leave from April 1, 2021, through Sept. 30, 2021.

The paid leave credits under the ARP are tax credits against the employer's share of the Medicare tax. The tax credits are refundable, which means that the employer is entitled to payment of the full amount of the credits if it exceeds the employer's share of the Medicare tax.

In anticipation of claiming the credits on the **Form 941**, Employer's Quarterly Federal Tax Return, eligible employers can keep the federal employment taxes that they otherwise would have deposited, including federal income tax withheld from employees, the employees' share of social security and Medicare taxes and the eligible employer's share of social security and Medicare taxes with respect to all employees up to the amount of credit for which they are eligible. If the eligible employer does not have enough federal employment taxes on deposit to cover the amount of the anticipated credits, the eligible employer may request an advance by filing Form 7200, Advance Payment of Employer Credits Due to COVID-19.

Self-employed individuals may claim comparable credits on the **Form 1040**, U.S. Individual Income Tax Return.
More details are available on **this fact sheet**.

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