



Legislative Update - August 31, 2020



White House Chief of Staff Reiterates Call for Stimulus Deal

White House Chief of Staff Mark Meadows said last week that Republicans' latest offer includes additional unemployment compensation, money for schools opening, and another round of the Paycheck Protection Program for small business—all things Democrats want—and it's time now for a deal or the president will expand taking executive actions to help workers and businesses.

Meadows also said the White House prefers enacting a continuing resolution to fund the government on a stimulus bill, but thus far Speaker Pelosi wants two separate bills.

Meadows stressed the White House means business and will increase executive actions to aid the economy if there's no deal. Actions thus far include extending extra unemployment compensation, suspending the payroll tax credit, and Treasury regulations allowing unspent CARES funds to be used to assist state and local governments.

Pointing to recent news that airlines will be laying off 30,000 workers, Meadows said, "If you live in a place with airline workers, you should call on Speaker Pelosi to make a deal now."

Without doubt, pressure has built on the Speaker, who said last week she was ready to make a deal but the GOP offer is too small, that is, around \$1 trillion, compared to her offer of \$2 trillion.

Pressure on the Speaker is coming from her own party—while voting on a bill to fund the Postal Service, three different groups of House Democrats wrote the Speaker to enact economic relief for their struggling states. They had good reason: an additional million workers filed for UI last week, Federal Reserve manufacturing index fell more than anticipated, and business spending on plant and equipment remains low despite Fed support. Citizens are clamoring for help.

Last week Speaker Pelosi and Senate Democratic Leader Schumer were urged by small business organizations, who are strong supporters of WOTC, to ensure that the jobs credits—Employee Retention Credit and WOTC with the new COVID-19 target group that will benefit minorities, veterans, and people with disabilities—are enacted in any stimulus deal.

A week later, still no deal, but the prospect of one can come at any moment—or be delayed till after Labor Day.



Guidance Issued to Implement Presidential Memorandum Deferring Certain Employee Social Security Tax Withholding

The Department of Treasury and Internal Revenue Service recently issued guidance implementing the Presidential Memorandum issued on Aug. 8, 2020, allowing employers to defer withholding and payment of the employee's portion of the Social Security tax if the employee's wages are below a certain amount.

Notice 2020-65, posted on IRS.gov, makes relief available for employers and generally applies to wages paid starting Sept. 1, 2020, through Dec. 31, 2020.

The employee Social Security tax deferral may apply to payments of taxable wages to an employee that are less than \$4,000 during a bi-weekly pay period, with each pay period considered separately.

No deferral is available for any payment to an employee of taxable wages of \$4,000 or above for a bi-weekly pay period.

The notice postpones the time for employers to withhold and pay employee Social Security taxes.

Additional tax relief related to the COVID-19 pandemic can be found on IRS.gov.



Quiet Car Rule Modification

On August 28th the U.S. Department of Transportation announced a modification to the quiet car rule allowing for a six month extension due to challenges stemming from the COVID pandemic.

This rule requires electric and hybrids vehicles to have an audible warning for roadway users to improve safety.

Our next legislative update will be published on 8/14, have a wonderful Labor Day!