



Notable Provision in the COVID Relief/Government Spending Package

- **The Oil Spill Liability Tax (OSLT) is extended through December 31, 2025.** The nine cents per barrel OSLT tax is imposed on crude oil at the refinery gate. Proceeds from the OSLT go into a trust fund used by the Coast Guard to pay for clean-up after accidents like oil spills.
- **“Preventing Online Sales of E-Cigarettes to Children Act”** which prohibits online sales of e-cigarettes to minors by applying the same safeguards already in place for regular cigarettes and smokeless tobacco products. EMA supported this provision.
- **\$284 billion for the Paycheck Protection Program (PPP).** Businesses seeking a second PPP loan will need to demonstrate that they have fewer than 300 employees and at least a 25 percent reduction in gross receipts in the first, second or third quarter of 2020 relative to the same 2019 quarter. Establishes a maximum loan amount of two million dollars; Expands list of eligible expenses to include covered operations (software, cloud computing, and other human resources and accounting needs); property damage costs due to public disturbances that occurred during 2020 that are not covered by insurance; covered supplier costs; and covered worker protection expenditures (PPE). Clarifies that other employer-provided group insurance benefits such as group life, disability, vision, or dental insurance are included in payroll costs. New entities may receive loans of up to 2.5 times the sum of their average monthly payroll costs. For more information, click [here](#).
- **Creates a simplified one-page PPP loan forgiveness application for loans under \$150,000.**
- **Provides \$20 billion to restart and extend the SBA’s EIDL Advance Grant for small businesses in low-income communities through December 31, 2021.** Eligible entities must be located in a low-income community; suffered an economic loss of greater than 30 percent; and employs not more than 300 employees. Makes entities in low-income communities that received an EIDL Advance under Section 1110 of the CARES Act eligible to receive an amount equal to the difference of what the entity received under the CARES Act and \$10,000. Provides \$10,000 grants to eligible applicants in low-income communities that did not secure grants because funding had run out. Extends time for SBA to approve and disburse Emergency EIDL grants from 3 to 21 days.
- **Replenishes the EIDL Advance fund, which allows businesses suffering a substantial economic injury to apply for an advance that does not need to be repaid or up to \$1,000 per employee limited to \$10,000 total.** Prior law stated that any EIDL Advance received would reduce PPP Loan Forgiveness, essentially requiring the Advance to be

repaid. The new Act repeals this provision so the receipt of an EIDL Advance will have no impact on PPP loan forgiveness. Borrowers that have already applied for and received loan forgiveness presumably may now amend their application to request that the \$10,000 EIDL Advance (or amount actually received) not reduce their forgiveness amount and request repayment.

- **Supplies two billion dollars to enhance the SBA's existing government guarantee loan programs, including the 7(a) Loan Program, the 504 Loan Program and the Microloan Program.** Waives borrower and lender fees within the 7(a) and 504 loan programs. Increases the 7(a) loan guarantee to 90 percent from a range of 50-85 percent; Extends the one-million-dollar loan limit for SBA Express Loans; Establishes a 504 Express Loan Program and enhances the Microloan program in order to provide financial and technical assistance to businesses impacted by the COVID-19 pandemic.
- **Extension and expansion of the Employee Retention Tax Credit (ERTC) through June 2021.** Increases the credit rate from 50 percent to 70 percent of qualified wages; Expands eligibility for the credit by reducing the required year-over-year gross receipts decline from 50 percent to 20 percent and provides a safe harbor allowing employers to use prior quarter gross receipts to determine eligibility; Increases the limit on per-employee creditable wages from \$10,000 for the year to \$10,000 for each quarter; Increases the 100-employee delineation for determining the relevant qualified wage base to employers with 500 or fewer employees.
- **Temporary allowance of full deduction for business meals.** The provision provides a 100-percent deduction for business meal food and beverage expenses provided by a restaurant that are paid or incurred in 2021 and 2022. Currently, the deduction is available for only 50 percent of such expenses.
- **The Alternative Fuel Refueling Property Credit is extended through December 31, 2021.** The credit applies to fueling equipment for natural gas, propane, liquefied hydrogen, electricity, E85, and diesel fuel blends containing a minimum of 20 percent biodiesel. The amount of the tax credit is 30 percent of the cost, not to exceed \$30,000 per location for business property and \$1,000 for property installed at a principal residence.
- **Alternative Fuel Mixture Excise Tax Credit is extended through December 31, 2021.** An alternative fuel blender that is registered with the IRS may be eligible for a tax incentive on the sale or use of the alternative fuel blend (mixture) for use as a fuel in the blender's trade or business. The credit is 50 cents per gallon of alternative fuel used to produce a mixture containing at least 0.1% gasoline, diesel, or kerosene. Qualified alternative fuels are liquefied hydrogen, P-Series fuel, liquid fuel derived from coal through the Fischer-Tropsch process, and liquid fuel derived from biomass. The incentive must be taken as a credit against the blender's alternative fuel tax liability. The tax credit is not allowed if an incentive for the same alternative fuel is also determined under the rules for the ethanol or biodiesel tax credits.
- **The residential energy efficiency tax credit is expanded and renewed through December 31, 2022 for water heaters, furnaces, boilers, heat pumps, building insulation, windows and roofs placed in service through 2022.** Beginning in 2021, the

definition of eligible property is expanded to include qualified energy efficient biomass fuel property with a thermal efficiency rating of at least 75 percent. Correspondingly, biomass stoves will no longer qualify under section 25C, to prevent a double benefit.

- **Makes permanent the 179D Energy-Efficient Commercial Buildings Tax Deduction** that offers building owners a deduction of up to \$1.80 per square foot for next-level energy-efficient improvements made to heating, ventilation and air conditioning (HVAC) systems; the building envelope, including windows; and lighting upgrades that exceed ASHRAE Standard 90.1 by 50 percent.
- **Extends the Fuel Cell Motor Vehicle Tax Credit and alternative fuel refueling property credit through 2021** as well as extends the ten percent credit for two-wheeled electric scooter plug-in vehicles that is capped at \$2,500.
- **Extends the Non-Business Energy Property Tax Credits through 2021 which provides a tax credit -- 10 percent of cost up to \$500.**
- **Rescinds \$1.9 billion from the Advanced Technology Vehicle Manufacturing loan program** created by the 2009 stimulus which would curtail a funding stream for Biden's anticipated electric vehicles push.
- **Reauthorizes grants under the Diesel Emissions Reduction Act through FY2024.**
- **Creates a new \$25 billion program that offers rental assistance including benefits to be used to cover "utility and home energy costs" and arrearages to certain eligible households through December 31, 2021.** The program would be administered by Treasury Department and allocated to states and local governments in the form of grants. Households are eligible if one or more person in the household has qualified for unemployment benefits, has lost significant income has had increased costs or has experienced some other financial hardship during the pandemic. The household must also be at or below 80% of the area median income. A household is not eligible if it already receives some other form of federal housing assistance. In disbursing the funds, states and municipalities must prioritize households at 50% or below the median income and anyone that has been out of work for 90 or more days. EMA is reviewing to see whether this applies to home heating oil and propane. In any event, it will largely be left to the individual grantees (states) to determine if heating oil dealers are eligible.
- **Provides \$3.75 billion for the Low-Income Home Energy Assistance Program.**
- **Reauthorizes the Weatherization Assistance Program through 2025 and allow funds for the program to be used on renewable energy.**
- **Provides \$6.5 million for the Northeast Home Heating Oil Reserve.**

The COVID relief/government spending passage marks the end of an eventful month in Washington, DC. However, Congress still has one outstanding action on its plate before the 117th Congress begins. Assuming President Trump acts on his commitment to veto the Fiscal Year 2021 National Defense Authorization Act (NDAA), Congress must return prior to January 3 to hold a vote to override the President's veto.