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Bus & Motorcoach NEWS

THE INDUSTRY'S MOST AUTHORITY & EXPERTISE

ISSUE 124

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AGENDA



1—Welcome & Intro

- Scott Michael

2—Legislative & Regulatory Report: Recent Senate Small Business COVID relief bill (status)

- Ken Presley
- Becky Weber

3—Guest Speaker - Taxes / Tax Code Review

- Tracy Fickett

4—Overdrive

Time to visit with friends

Today's Agenda



Legislative Update

S.4008 - Small Business COVID Relief Act of 2022

(Cardin - Wicker Small Business Relief Package)



TITLE IV—TRANSPORTATION SERVICES

SEC. 401. ADDITIONAL ASSISTANCE FOR ELIGIBLE PROVIDERS OF TRANSPORTATION SERVICES AFFECTED BY COVID–19.

(a) DEFINITIONS.—In this section:

(1) CERTS ACT.—The term “CERTS Act” means subtitle B of title IV of division N of the Consolidated Appropriations Act, 2021 ([Public Law 116–260](#)).

(2) PROVIDER OF TRANSPORTATION SERVICES.—The term “provider of transportation services” has the meaning given the term in section 421(a) of the CERTS Act.

(3) SECRETARY.—The term “Secretary” means the Secretary of the Treasury.

(b) APPROPRIATION.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, **\$2,000,000,000**, to remain available until expended, to provide additional funding for grants under the CERTS Act.

(c) PAYMENTS.—

(1) ELIGIBLE ENTITIES.—The Secretary shall provide the funds made available by subsection (b) to providers of transportation services that—

(A) as of the date of enactment of this Act—

(i) have been determined to be eligible under the CERTS Act; and

(ii) are in compliance with the applicable terms and conditions of the CERTS Act; or

(B) on or after the date of enactment of this Act, are determined to be eligible under the terms and conditions described in subparagraph (A)(ii).

(2) CALCULATION.—A payment provided under this subsection shall be calculated using **the same methodology as is used for the distribution of funds under the CERTS Act.**

(3) RETURN OF UNUSED AMOUNTS.—A provider of transportation services shall return to the Secretary any funds provided under this subsection that are not used by the provider of transportation services by the date that is 1 year after the date of receipt of the funds.

(d) ADMINISTRATION.—

(1) IN GENERAL.—The Secretary shall have the authorities provided by the CERTS Act with respect to the funds made available by subsection (b).

(2) ADMINISTRATIVE EXPENSES.—Of the funds made available by subsection (b), not more than \$50,000,000 may be used by the Secretary for the costs of administering this section and the CERTS Act.

CERTS Tax-Exempt Bill

U.S. House of Representatives



Rep. Darin LaHood (R-IL)

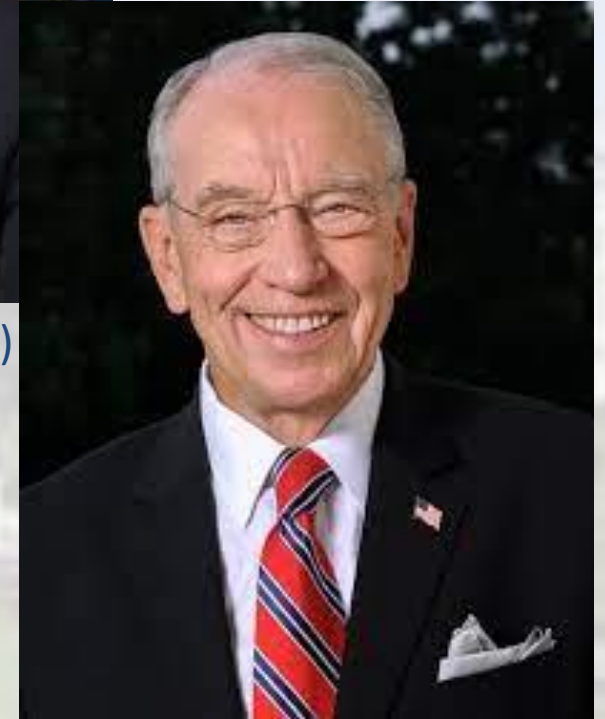


Rep. Jimmy Panetta (D-CA)

U.S. Senate



Sen. Bob Casey (D-PA)



Sen. Chuck Grassley (R-IA)



The emergency exits and doors on all buses (including school buses used in interstate commerce for non-school bus operations) must be marked “Emergency Exit” or “Emergency Door” followed by concise operating instructions describing each motion necessary to unlatch or open the exit located within 152 mm (6 inches) of the release mechanism.

Check manufacturer’s maintenance specifications.

Assure that each mechanism is in good working order.

Assure that doors, windows and hatches open as prescribed.

Assure all emergency exits are marked properly – including legibility.

Assure that all drivers receive training and refresher training on various vehicles.

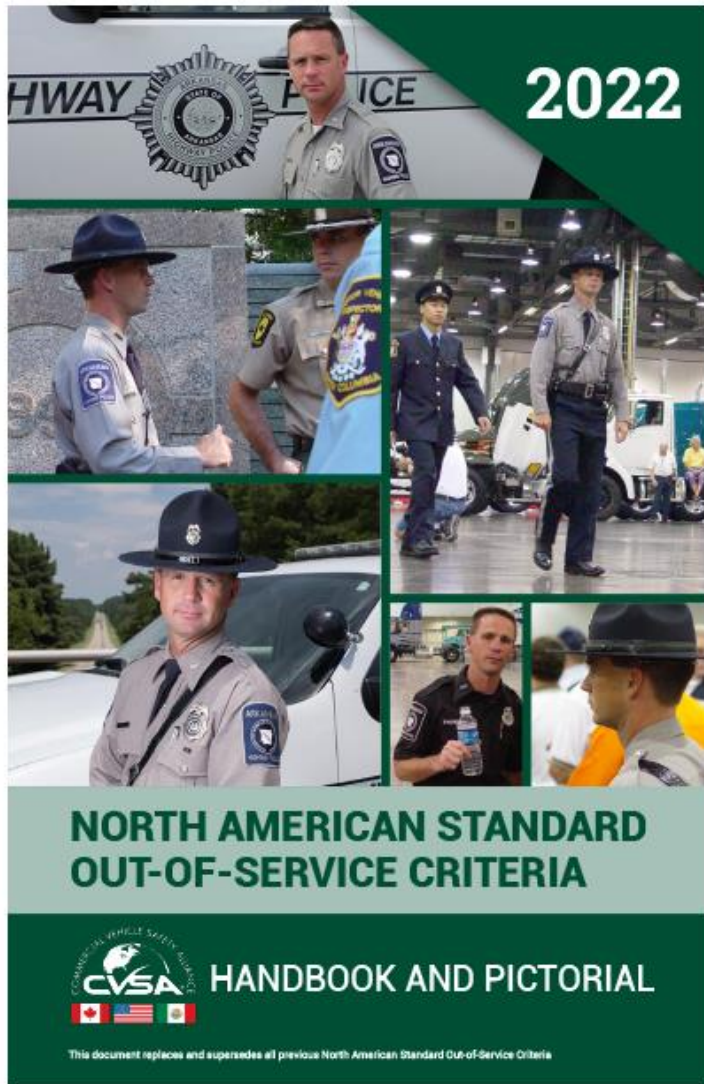
Assure that drivers are including emergency exits as part of post and pre-trip inspections.

Assure that drivers include emergency exit procedures in pre-trip safety announcements.

Assure that a supply of emergency exit stickers are maintained on the coach.

Finally, when purchasing a new or pre-owned coach, inspect for compliance with FMVSS 217.

Don’t forget to make sure fire extinguisher is fully charged.



**April 1, 2022 North
American Standard
Out-of-Service Criteria
(Handbook & Pictorial)**

Handbook PDF for Desktop Mobile App

<https://cvsa.ps.membersuite.com/onlinestorefront/ViewMerchandiseDetails.aspx?contextID=7bad43e6-00ce-ce97-d948-9c7673b957a8&categoryID=>

To download the app, search "CVSA Out-of-Service Criteria" in the App Store or Google Play.

\$49

Plus, shipping & Handling if applicable



*'22 Q1 due
April 15th!*



Thoughts...

- **We're not out of the woods yet.**
- **COVID cases are rising again in half the states.**
- **National totals continue to fall.**
- **The Omicron subvariant BA.2 is the dominant strain circulating around the U.S., accounting for almost three out of four cases.**



Tax Advice for the Transportation Professional



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PPP forgiven debt

- Tax Exempt Income: IRS issues guidance on how to report
 - When to report debt forgiveness: IRS issued guidance in late 2021
- S Corp—Adds basis for all shareholders

Employee Retention Credit

- What it is
- How to report: Reduction of wage expense
- When to report: Quarter in which wages were paid on form 941 / 941-X
- What does this mean? Possible amended income tax returns

Sick and family leave credit

- What it is
- How to report: include in gross income
- When to report: Quarter in which credit claimed on form 941 / 941-X
- What does this mean? Possible amended returns

CERTS Funds

- NOT exempt—Taxable
- When to recognize: no guidance from IRS—Accrual versus Cash basis reporter



Section 179

- Qualifying property – used more than 50% in a trade or business
- Limited to taxable income before S179 deduction
- Excess is carried forward

Section 179

- 2021 – maximum of deduction is 1,080,000
- Reduction of available deduction if qualified property placed into service is between 2,620,000 and 3,670,000
- Disallowed if qualified property placed into service exceeds 3,670,000

Bonus Depreciation

- Year of acquisition
 - 2022 – 100%
 - 2023 – 80%
 - 2024 – 60%
 - 2025 – 40%
 - 2026 – 20%

Federal Diesel Fuel Tax Credits

- Bus operations including intercity or local transportation, or the transportation of students or school employees.
- Seating at least 20 + driver
- 24.3 cents per gal – student
- 17 cents per gal all other

New S Corp Owner Reporting

- S Owners will have to report shareholder basis items on a *NEW FORM 7203*
 - Shareholder Basis
 - Shareholder Loan Reporting

NOL CARRYBACK OPPORTUNITY

	Before TCJA#	TCJA# (enacted 1/1/18)	CARES* (enacted 3/27/2020)
CARRYBACK	TWO YEARS	DISALLOWED	FOR 2018-2020: FIVE YEARS
CARRYFORWARD	TWENTY YEARS	NO LIMITATION	NO LIMITATION
TAXABLE INCOME LIMITATION	USE UP TO 100% OF TAXABLE INCOME	USE UP TO 80% OF TAXABLE INCOME	FOR 2018-2020: USE UP TO 100% OF TAXABLE INCOME AFTER 2020: LIMITED TO 80% OF TAXABLE INCOME

Tax Cuts and Jobs Act

* Coronavirus Aid, Relief, and Economic Security Act

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