

April 2021

# **Industry Update**

News and Information for Northwest Automotive Trade Association Members

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## Congratulations to the 2021 NATA Board

Congratulations to NATA's newly-elected board for 2021! Elected were: President **Jim Moore** of Performance Warehouse; Vice-President **Bob Knodel** of Silver Creek Auto Body; Secretary



Ross Bradshaw of Portland Transmission Warehouse; ; and Treasurer Jake Hammer of Everett Street Auto Works.

Also serving on the board as general directors are: **Bob Anderson** of AJ's Auto Repair; **Ron Reichen** of Precision Body & Paint; **Mary Ann Trout** of Hillsboro Auto Wrecking; and **Catherine Skeins** of RGS Auto & Marine.

Congratulations, and thank you for volunteering another year to help lead NATA!

## Associations jointly issue position statement

The Automotive Service Association (ASA), the Society of Collision Repair







Specialists (SCRS) and the Alliance of Automotive Service Providers (AASP) have jointly issued a <u>position statement</u> calling scanning a necessary and not-included operation.

"All other procedures necessary to correctly and safely identify and address a vehicle's electronic system faults or diagnostic trouble codes (DTC)s are considered additional operations and not included in the scanning operation," the statement reads.

It says these procedures can include: test drives; ADAS calibration; system initialization or programming; vehicle diagnostics; prepping vehicle for a scan; and researching, and verifying and documenting manufacturers' data.

### NATA concluding mechanical rate survey

NATA is asking mechanical shops throughout the state to take just a few minutes to

complete a labor rate survey, which is closing next week. The more shops that participate in this confidential survey, the better the cumulative data we can report back to you.

<u>Click here</u> to take the survey – and please ask a colleague at one or two other shops to participate as well.



## DEQ alternative fuel survey, rulemaking

We've recently received three notices from the Oregon Department of Environmental Quality that may be of interest to some of our members.

DEQ will ask the Environmental Quality Commission approve rule amendments to establish a new diesel retrofit compliance



program in Oregon. In 2019, the Oregon Legislature passed legislation authorizing the Commission to adopt rules for certification of approved retrofit technologies of a diesel engine that powers a medium-duty truck or a heavy-duty truck.

The legislation includes prohibitions on registering and titling older diesel engines in Clackamas, Multnomah and Washington counties after certain deadlines unless they are equipped with retrofit technologies established by the commission or DEQ.

DEQ is asking for public comment on the proposed rules by April 27. Anyone can submit comments and questions about this rulemaking. A person can submit comments through email, by regular mail or at the public hearing. Click here for details.

DEQ is also asking any driver, partner, organization, or fleet manager of medium or heavy-duty vehicles in Oregon to participate in a survey as part of its effort to to identify infrastructure needs for medium and heavy-duty trucks/ fleets to switch to alternative fuels such as electricity, hydrogen, renewable natural gas, propane, or other lower carbon biofuels

This is an opportunity for you to inform Oregon's strategy for future fuel and infrastructure needs for the adoption of alternative fuel. Please take 15 minutes to complete this <u>anonymous survey</u> by April 15.

For additional information, visit the <u>Alternative Fuel Study website</u>.

Lastly, DEQ's <u>Diesel Emissions Reduction Grant Program</u> allows a broad range of diesel equipment owners to apply for funding for emission reduction projects, including the retrofitting, repowering or replacing of older, more polluting diesel equipment in favor of newer, cleaner alternative technologies.

Public, private and tribal entities may apply for funding for projects that measurably reduce diesel emissions in Oregon.

Each project must address diesel emissions from equipment currently operating in Oregon. DEQ has approximately \$40M in funding for this effort. The agency will

award close to \$8M per year during each of five consecutive calendar years, beginning in 2021 and ending in 2025.

### NATS to focus on service information

The next meeting of the Northwest Automotive
Technicians Society (NATS) will include discussion of
the service information sources, such as ALLDATA,
Mitchell, Identifix and Motologic. How do they
compare? Which offers the best value. Check them out
side-by-side, and share your thoughts.



The meeting will be held at 6:30 p.m. on Thursday,
April 22 at Bob's Lil Car Hospital in Kelso, Wash.
Dinner is provided but please RSVP by April 20. Click here for a flier with details.

## WrenchWay offers podcast, roundtable

"How Do We Attract More Women to the Industry?" is the topic of a recent WrenchWay Roundtable, focusing on what



schools and shops can do to make the industry more attractive to women. Watch the full <u>85-minute webinar</u>, or check out this <u>summary and highlights</u>.

A recent episode of WrenchWay's "Beyond the Wrench" podcast focused on "How to Build Value & Prepare to Sell Your Shop." Jay Goninen, Founder & President, WrenchWay, talks with Rick Perrin, Partner, B2B CFO, about how a shop owner can exit business successfully and profitably. It covers a number of topics, including: how a shop owner can prepare to sell their business, how valuation is calculated, and even what a technician should think about if they're thinking of starting their own shop.

### State and federal tax deadlines extended

Our friends at Irvine & Company sent a notice with the changes made to tax deadlines this year.



The Treasury Department and IRS have moved the individual tax

deadline from April 15 to May 17 in response to the COVID-19 pandemic. Below are some key takeaways about the upcoming May 17 deadline change.

#### Individual Tax Returns, originally due April 15:

Individuals who originally had a filing or payment deadline of April 15 will now have a May 17 filing and payment deadline.

#### Corporate Tax Returns (C-Corps), due April 15:

Unfortunately, C-Corps received no relief. Therefore, C-Corps are still due April 15.

Estimated Tax Payments, due April 15:

First quarter estimated payments have not been extended. Therefore, your estimated payments are still due April 15.

#### State & Local Compliance:

Oregon has stated that it will match the federal postponement. Other states could also potentially adopt the new deadline. The City of Portland and Multnomah County have also extended their related filing dates.

## Body shops can help answer 'Who Pays?'

When Collision Advice and CRASH Network conducted their first "Who Pays for What?" survey back in 2015, only about one-third of shops said they were paid "always" or "most of the time" by the eight largest insurers for the



labor necessary to mask a vehicle's engine compartment when it was needed as part of refinishing.

Since then, that figure has climbed 16 percentage points, with over half (51 percent) of the more than 500 shops responding to the question in January of this year reporting they are being paid regularly for that labor operation.

"I think our surveys have helped raise shops' awareness of not-included procedures they may be doing without making an informed decision as to whether it's something they will charge for," Mike Anderson of Collision Advice said.

The latest quarterly "Who Pays for What?" survey is now open through the month of April. It focuses on "not-included" body labor operations. Shops can take the survey at: <a href="https://www.surveymonkey.com/r/NPKX7FW">https://www.surveymonkey.com/r/NPKX7FW</a>

Survey participants receive a free report with complete survey findings along with analysis and resources to help shops better understand and use the information presented.

Anderson said the survey, which will take about 15-20 minutes, can be completed by anyone in a shop familiar with the shop's billing practices and the payment practices of at least some of the largest national insurers. Each shop's individual responses are held in the strictest confidence; only aggregated data is released.

### Businesses have employee retention credit

The Internal Revenue Service urges employers to take advantage of the newly-extended employee retention credit, designed to make it easier for businesses that, despite challenges posed by COVID-19, choose to keep their employees on the payroll.



The Taxpayer Certainty and Disaster Tax Relief Act of 2020, enacted December 27, made a number of changes to the em

enacted December 27, made a number of changes to the employee retention tax credits previously made available under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), including modifying and extending the Employee Retention Credit (ERC), for six months through June 30, 2021. Several of the changes apply only to 2021, while others apply to both 2020 and 2021.

As a result of the new legislation, eligible employers can now claim a refundable tax credit against the employer share of Social Security tax equal to 70% of the qualified wages they pay to employees after Dec. 31, 2020, through June 30, 2021. Qualified wages are limited to \$10,000 per employee per calendar quarter in 2021. Thus, the maximum ERC amount available is \$7,000 per employee per calendar quarter, for a total of \$14,000 in 2021.

Employers can access the ERC for the 1st and 2nd quarters of 2021 prior to filing their employment tax returns by reducing employment tax deposits. Small employers (i.e., employers with an average of 500 or fewer full-time employees in 2019) may request advance payment of the credit (subject to certain limits) on <a href="Form 7200">Form 7200</a>, Advance of Employer Credits Due to Covid-19, after reducing deposits. In 2021, advances are not available for employers larger than this.

Effective Jan. 1, 2021, employers are eligible if they operate a trade or business during Jan. 1, 2021, through June 30, 2021, and experience either:

- A full or partial suspension of the operation of their trade or business during this period because of governmental orders limiting commerce, travel or group meetings due to COVID-19, or
- A decline in gross receipts in a calendar quarter in 2021 where the gross receipts of that calendar quarter are less than 80% of the gross receipts in the same calendar quarter in 2019 (to be eligible based on a decline in gross receipts in 2020 the gross receipts were required to be less than 50%).

Employers that did not exist in 2019 can use the corresponding quarter in 2020 to measure the decline in their gross receipts. In addition, for the first and second calendar quarters in 2021, employers may elect in a manner provided in future IRS guidance to measure the decline in their gross receipts using the immediately preceding calendar quarter (i.e., the fourth calendar quarter of 2020 and first calendar quarter of 2021, respectively) compared to the same calendar quarter in 2019.

In addition, effective Jan. 1, 2021, the definition of qualified wages was changed to provide:

- For an employer that averaged more than 500 full-time employees in 2019, qualified wages are generally those wages paid to employees that are not providing services because operations were fully or partially suspended or due to the decline in gross receipts.
- For an employer that averaged 500 or fewer full-time employees in 2019, qualified wages are generally those wages paid to all employees during a period that operations were fully or partially suspended or during the quarter that the employer had a decline in gross receipts regardless of whether the employees are providing services.

Retroactive to the March 27, 2020, enactment of the CARES Act, the law now allows employers who received Paycheck Protection Program (PPP) loans to claim the ERC for qualified wages that are not treated as payroll costs in obtaining forgiveness of the PPP loan.

For more information, see <u>COVID-19-Related Employee Retention Credits: How to Claim the Employee Retention Credit FAQs.</u>

## **Obituary: Mary Jane Everist**

NATA sends its condolences out to the family and colleagues of Mary Jane Everist,

who died March 7 at age 95. She and her husband Malvin had together operated Everist Bros., an automotive repair business in Northeast Portland. Click here to read her complete obituary from *The Oregonian*.



### Welcome to new NATA members

NATA is pleased to welcome a couple of new members this month.

Radiator Supply House, Inc., located in Foster, Ore., manufactures, sells and repairs radiators and charge air systems.



WrenchWay is the newest associate member of NATA. WrenchWay is helping solve the technician shortage with their software that highlights top shops to work at, gathers feedback from technicians, and gets more students interested in the industry.

### SAIF declares another dividend

Acknowledging the financial toll the pandemic has taken on Oregon businesses, SAIF today declared a \$210 million dividend for its policyholders.



"Oregon businesses continue to face tremendous uncertainty," said President

and CEO Kerry Barnett. "When our financial position indicates we can issue a dividend, we do — it's the best way we can support our policyholders right now."

The dividend will be based on premium for policies whose term ended in 2020 and will be distributed in July. This is the 12th year in a row SAIF has been able to offer a dividend, and the 24th dividend since 1990. More information will be available on saif.com in June.

During the pandemic, SAIF has remained open for business, serving Oregon's employers and workers. This has included taking steps to help injured workers who faced challenges accessing care and working to reduce the financial burden on businesses.

Last year, SAIF helped more than 3,400 businesses through the \$25 million coronavirus worker safety fund. The fund helped employers quickly implement safety practices to protect workers against the virus. SAIF also returned a \$100 million dividend in 2020.

### Shop equipment for sale

An NATA Associate Member, Eric Larpenteur of SVN -

Imbrie Realty, has sent us some photos of used shop equipment he has for sale, including a <u>Coats tire balancer</u> and <u>Coats tire machine</u>, an <u>Atlas 2-post lift</u>, an <u>engine hoist and oil drain</u>, and <u>Miller welders</u>. Contact Eric at (503) 803-9377 or <u>eric.larpenteur@svn.com</u> if you are interested.



### June is 'Auto Service Professionals Month'

As a way to recognize vehicle service professionals who are proficient, credentialed and committed to excellence, the National Institute for Automotive Service Excellence (ASE) has designated June as Automotive Service Professionals Month.

"Automotive service professionals go above and beyond, providing essential services to ensure that vital vehicles stay in service to perform their important roles and keeping the motoring public on the road," said Tim Zilke, ASE president and CEO.



"Because these skilled professionals deserve our thanks, ASE has designated June as Automotive Service Professionals Month to recognize the valuable work they perform each and every day."

To commemorate Automotive Service Professionals Month, ASE has developed a special logo that can be used by companies, organizations and individuals to recognize and honor vehicle service professionals during the month of June. The logo can be downloaded free of charge by visiting the ASE Tool Kit at <a href="www.asetoolkit.com">www.asetoolkit.com</a>.

"We invite all industry members to join us in observing Automotive Service Professionals Month in June and marking the occasion with special programs, recognition events and other celebrations," continued Zilke. "In addition, June will be an opportune time for motorists to thank their own certified technicians on their social media platforms."

### The latest news from area schools

Check out this fun video produced by Linn Benton Community College, showing how their career-technical labs have been safely conducting inperson learning the past year.

And you may have heard that Clackamas Community College

was facing a budgetary shortfall that had the potential to close several career-technical programs – including automotive technology. Great news: The program is safe. "Thanks to federal stimulus funding, recent news about anticipated state funding, current year operational savings, and the judicious work of everyone at CCC, we expect to close our budget gap for the next biennium without any significant budget

cuts," Tim Cook, president of the college wrote. "This means there will be no layoffs, or academic program reductions or eliminations in this year's budget process."

Also, Chemeketa Community College in Salem is seeking to hire an "Instructional Support Technician" for technical work in the Oregon State Penitentiary Chemeketa Automotive Program. The position involves providing direct support for the success of students including subject matter tutoring, content reinforcement, and curriculum/student performance feedback.

Lastly, Toya Flick of Stand for Children recently had an <u>op-ed</u> run in *The Oregonian*, saying school graduation rates have improved across the state, in part thanks to Measure 98. They are now calling for other changes in the way education dollars are spent. Stand for Children offers a way you can <u>contact your lawmakers</u> to support their efforts.

### When it's time to 'retire' a driver

We've all probably had a relative - or a customer – who perhaps has reached a point where they should consider "retiring" from driving. Oregon's DMV offers a brochure about how to handle this situation, along with a request form you can submit if there's a driver who you think should be evaluated.

## Retiring From Driving

When Someone You Know Should Give Up Driving



The National Institute for Automotive Service Excellence (ASE) has launched its newly redesigned website (ASE.com).

The new mobile-ready website is organized to provide sought-after information, answers to frequently asked questions and helpful step-by-step instructions for all users.

Key components of the website content addressing four distinct audience segments include:



#### Technicians:

- Learn how to prepare for, earn and maintain ASE certification.
- Find information on ASE's more than 50 tests including: task lists, format, requirements, fees, test center locations, preparation guides, practice tests and more.
- Download the new ASE Renewal App that makes it easy to keep A-series
  certifications up-to-date without visiting a test center. With the app, an ASE
  Certified technician can validate their knowledge and extend their certifications
  by answering a few test questions each month from a desktop computer, tablet

or mobile device.

#### Employers:

- Obtain tips on how helping employees earn ASE certification will attract new customers and give your business a competitive advantage.
- Learn how to join the elite ranks of repair businesses in the Blue Seal of Excellence recognition program.

#### Students & Instructors:

- Instructors will discover how ASE educational initiatives, partnerships and career development resources help improve instruction for future automotive service professionals.
- Students can get started on their pathway to a career in automotive service by earning the ASE Entry-Level Certification.
- A five-step process walks instructors through the process of obtaining accreditation for their school's automotive educational program.

#### Consumers:

- Understand how ASE's rigorous testing and certification process demands the knowledge and expertise of the technicians, thus ensuring peace of mind for the consumer.
- Find a Blue Seal of Excellence nearby shop where a large percentage of the technicians are ASE Certified professionals.

"The new ASE website makes the test-taking and certification process much more user-friendly," Tim Zilke, ASE president and CEO said.

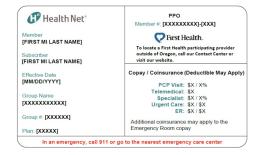
ASE and the Inter-Industry Conference on Auto Collision Repair (I-CAR) also continue their collaboration and commitment to collision repair knowledge and skill excellence. The goal of this joint effort is to align education, training and certification requirements between the organizations in an effort to make it easier for career technical schools to both utilize I-CAR curriculum programming and achieve ASE-Accreditation program requirements.

On the education side, I-CAR's curriculum is used by the majority of collision repair training programs at the high school and community college levels, and as such this helps them become ASE sccredited. "I-CAR does not accredit these training programs," said I-CAR CEO & President, John Van Alstyne. "We provide the appropriate curriculum programming that helps schools educate students, which aligns with ASE accreditation requirements and collision repair industry educational standards."

To support this effort, I-CAR offers the Official I-CAR CTE Curriculum Crosswalk to the ASE Education Foundation Task Lists, which is available online from both organizations.

The two organizations also coordinate programming for professional technicians. ASE recognizes I-CAR ProLevel 2, ProLevel 3 or Platinum status to satisfy the requirements for ASE collision repair and refinish work experience. Whereas I-CAR grants two course credits toward Platinum annual training requirements for technicians who hold an ASE Collision Repair certification. This collaboration eliminates redundancies for technicians seeking to earn designations from both I-CAR and ASE, reducing total training time and the time required to earn those designations.

New ID cards were issued in mid-March to all Health Net of Oregon PPO members. The First Choice logo has been replaced with the First Health logo. Members should begin using their new ID card effective immediately.



## Oregon agencies offer business training

Three Oregon agencies offer regular training for companies within the state.

The Oregon Bureau of Labor and Industry (BOLI) offers training seminars on such topics as wage and hour laws, discipline and discharge, and the latest developments in employment law. Details are available by clicking here.



The Oregon Department of Environmental Quality invites businesses that handle hazardous waste to sign up for a class covering basic management of such waste. Registration is free but on a first-come, first-served basis. Click here for more details.

The Oregon Occupational Safety and Health Administration (OSHA) offers classroom workshops and online training on such topics as hazard communications, safety meetings, lockout/tagout, personal protective equipment, etc. <u>Click here</u> for current class description and schedule, call (888) 292-5247 (option 2) or send an email to <u>ed.web@oregon.gov</u>.

EDUCATION BENEFITS CONSUMER INFO SHOP HELP INSURANCE

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