



April 2021 Bulletin

Please Pass Me Along to Share with other Stations!

ASSOCIATION CONTEST

CONGRATULATIONS TO THE MARCH 2021 CONTEST WINNER NEELA ASSOCIATES INC. OF YONKERS, NY.

Please read through this bulletin for your chance to win!!! Call the office with the correct answer to the trivia question and you will be entered in the monthly drawing for a chance to receive a free month's dues; a value of \$45.00.

ATTORNEY'S CORNER

According to the National Association of Convenience Stores, which is all about "advancing convenience and fuel retailing," of the 154,958 convenience stores [C-Stores] in the U.S., 122,552 sell gasoline. Many of our SSDGNY Members [Service Station Dealers and Automotive Services of Greater NY, Inc] do run C-Stores and gas services, some are gas, C-Store and Repair.

The idea is that should you need a gallon of milk you can also readily get a gallon of gas, which is arguably the definition of convenience for many people, who also are interested in everything from lottery tickets to vaping supplies, as well as topping off their tanks.

While the number of gas stations in the U.S. is reasonably high [yes, there are also stations that don't offer an array of beef jerky, as well], it is surprising how many electric vehicle chargers there are out there. According to the Alternative Fuels Data Center, part of the U.S. Department of Energy, there are 21,009 chargers in the U.S.

Take heart gasoline retailers, the displacement of vehicles that run on things other than gasoline is going to be a nearly insurmountable challenge if for no other reason that the ready access to the fuel. Even the vaunted Tesla Supercharger, which Tesla describes as "the world's fastest charging network," requires that a vehicle be plugged in "for about 30 minutes" in order for a recharge. One person commented while at a self-serve dispenser, when I was pumping gas this morning it was 3 degrees F, and the fewer than five minutes it took seemed like, well, "about 30 minutes." So, what would 30 actual minutes feel like? (I ranted, you can sit inside your car while charging, but still ...)

Part of the diesel settlement with the U.S. and California, in particular, Volkswagen of America established Electrify America, a company that is spending \$2 billion to, well, electrify America [California is getting \$800 million of the money – surprised?]. It intends to have 900 charging stations installed across the U.S. by mid-year, which will offer 5,000 charging ports.

Still, it all gets back to time. And the challenge for the proliferation of electric vehicles is getting people to accept the considerable amount of time required to charge vs. refuel.

According to a survey completed last November for Infineon Technologies, 29 percent said the maximum amount of acceptable charging time for an EV on the road was 15 minutes or less. Forty-one percent would be pleased with a Supercharger because they said 15 to 30 minutes. Then after that, the tolerance waned. Considerably.

It is going to be hard to displace gasoline as the fuel of choice, given the efficiency of filling the tank. Who wants to spend 30 minutes cooling their heels?

Vincent P. Nesci, Esq. General Counsel

SSDGN is a member of TST. Because you are members of SSDGN, you are automatically able to receive certain benefits from that organization.

This means:

- **Discount - Live Seminars**
- **Discount - Yearly Big Event & Trade Show**
- **Discount - Live Simulcast / Webcasts**
- **Discount - On-Line Videos**
- **Watch Members only Videos**
- **Discount - Tools and Equipment**
- **Access to Members only Store**
- **Discount - Training Materials (Books)**

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SENATE APPROVES PAYCHECK PROTECTION PROGRAM (PPP) EXTENSION

In good news for the country's small businesses, last week the Senate passed (by a vote of 92 to 7) the PPP Extension Act of 2021 (H.R. 1799) – which will extend the time for businesses to apply for, and the Small Business Administration (SBA) to grant, Paycheck Protection Program (PPP) loans.

While the latest COVID relief package signed into law by President Biden on March 11 included an additional \$7.2 billion for PPP loans and opened the program up to additional tax-exempt entities and online news organizations, the SBA was still facing a looming March 31, 2021 deadline for approving PPP loans.

The PPP Extension Act of 2021 extends the deadlines and provides businesses until May 31, 2021 to apply for a first or second PPP loan and allows the SBA until June 30 to review and approve loan applications submitted before June 1.

The PPP Extension Act of 2021 was already passed in the House on March 16, 2021 and President Biden is now expected to sign it into law. The passage of this legislation is a welcome development that the SSDA-AT actively supported.

We continue to encourage all small businesses to take full advantage of the PPP program and other relief programs, including the Employee Retention Tax Credit (ERTC) if they have not done so already.

DEATH TAX REPEAL ACT REINTRODUCED

Recently, the Death Tax Repeal Act of 2021 was reintroduced ([S. 617](#) & [H.R. 1712](#)) by Congressmen Smith (R-MO) and Bishop (D-GA) in the House and Senate Minority Whip Thune in the Senate.

SSDA-AT strongly supports the legislation and signed on to a [letter](#) supporting the legislation along with 154 organizations.

While we do not expect repeal to pass under a Biden administration, this year we will be fighting against a death tax

increase and our friends on the hill tell us that a strong offense helps them play defense on this issue.

The House bill already has 121 cosponsors and the Senate has 25. SSDA-AT has been working to gather cosponsors on the legislation.

Last Congress, Senate Democrats proposed rolling back the doubled exemption to partly pay for their infrastructure package.

With another reconciliation bill likely this year, SSDA-AT is on high alert for any changes to the estate tax, capital gains due at death, step up in basis changes, and technical changes to the estate tax like disallowing valuation discounts and disallowing the use of certain trusts that family businesses use to plan for succession.

LEGISLATIVE CORNER:

SENATE BILL S4092

This bill was introduced for the 2021-2022 Legislative Session.

TITLE OF BILL:

An act to amend the environmental conservation law, in relation to increasing rebates to municipalities for the cost of any eligible infrastructure projects which support the development of clean vehicles. Increases rebates to municipalities for the cost of any eligible infrastructure projects which support the development of clean vehicles.

PURPOSE OR GENERAL IDEA OF BILL:

To increase participation in the Department of Environmental Conservation's Zero Emission Vehicle rebate program and to incentivize municipalities to decrease their carbon footprint.

SUMMARY OF SPECIFIC PROVISIONS:

Section one of this bill amends Section 54-1521, subsection (3b), of the Environmental Conservation Law to increase the rebate of an eligible electric vehicle purchase from a minimum rebate of \$1,500 and a maximum rebate of \$7,500.

REFERRALS

If you know of a station that needs our services and is interested in becoming a member, refer them to us and upon signing you will receive a \$50.00 Amazon gift card. If you know of someone interested, please contact our Sales Representative Bill Griese at 914-227-0144.

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The Coronavirus Aid, Relief and Economic Security Act (CARES Act) contains a provision known as the Employee Retention Credit (ERC), a refundable payroll tax credit designed to encourage eligible employers to keep employees on their payroll, despite experiencing economic hardship related to COVID-19.

Originally, the ERC applied to “qualified wages” paid to retained full-time employees between March 13 and Dec. 31, 2020. However, the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (Relief Act) and the recently enacted American Rescue Plan Act of 2021 (ARPA) jointly extended the credit through the end of 2021. The ARPA also expanded ERC eligibility for certain small start-ups and severely financially distressed employers.

KEY TAKEAWAYS REGARDING THE ERC AND RECENT UPDATES ARE OUTLINED BELOW:

- The ERC provides a refundable credit of up to \$5,000 for each full-time equivalent employee retained between March 13 and Dec. 31, 2020, and up to \$7,000 per quarter for each retained employee between Jan. 1 and Dec. 31, 2021. Meaning eligible employers can potentially take an ERC of up to \$33,000 per employee.
- Eligible employers are those who were ordered to fully or partially shut down or whose gross receipts fell below 50% for the same quarter in 2019 (for 2020) and below 80% (for 2021). For employers not in business in 2019, corresponding quarters from 2020 can be used to determine eligibility.
- Employers may claim their credit immediately by reducing payroll taxes sent to the IRS. Where credits exceed payroll taxes, a direct refund can be requested from the IRS.
- The ARPA expands ERC eligibility to “recovery startup businesses” established after February 15, 2020, with annual gross receipts of up to \$1 million. A recovery startup business meets the ERC eligibility test even if it does not otherwise meet the general eligible employer ERC requirements. The startup ERC is capped at \$50,000 per quarter, per employer.

- The ARPA increases the amount of the ERC available to “severely financially distressed employers,” or those that experienced a gross receipts reduction of more than 90 percent as compared to the same quarter in 2019. The ERC is uncapped for these employers, and they may treat all wages paid to employees as qualified wages, regardless of the size of the employer and number of employees.

Importantly, while the IRS has recently issued guidance on the credit, such guidance does not apply to ERC qualified wages paid after December 31, 2020. It is expected that IRS guidance regarding 2021 ERC updates will be forthcoming.



On Friday, March 12, 2021, Governor Cuomo signed a bill into law requiring all public and private employers to provide employees with sufficient period of leave, up to four hours of paid leave per dose to receive the COVID-19 vaccine. The law takes effect immediately and expires on December 31, 2022.

Employees must receive their regular rate of pay for the leave. Employers must not discriminate or retaliate against employees who request leave for the COVID-19 vaccine.

The FDA has provided emergency use authorization for three vaccines including Pfizer, Inc., Moderna Inc. and Johnson & Johnson. Both the Pfizer, Inc. and Moderna, Inc. vaccine require two doses and employees are entitled to receive up to a total of eight hours paid time off for either vaccine. The Johnson & Johnson vaccine is a single dose vaccine and employees are entitled to receive up to four hours of paid time off.

The paid time off to receive a COVID-19 vaccine may not be charged against any other required paid leave. The New York State Department of Labor should release further regulations on the law.

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FIVE THINGS TO CONSIDER WHEN EVALUATING YOUR LABOR RATE

The key to evaluating your labor rate is to find the balance between charging a fair price being highly profitable.

Many shop owners take the position that the best way to set their labor rate is to survey the competition, determine the top and bottom labor rate, and then set theirs in the middle. Conventional wisdom says that if I am not the highest or the lowest then the customer is more than likely going to choose the shop in the middle.

While this might be good for Goldilocks, it's hardly an effective way to approach one of the most critical aspects of running a profitable shop. Setting your labor rate at the correct level keeps you profitable and allows you to draw exceptional talent.

AVOIDING THE DEADLY MIDDLE

Nordstrom, a leader in luxury retail, sets its prices for goods typically 25% higher than you can purchase from other retail outlets. The quality of the merchandise is exceptional, but it's Nordstrom's service that exceeds the expectations of even the pickiest customers and that comes at a price.

Walmart, whose former motto was "Always Low Prices" focuses on the value shopper. When you go there you know the quality might not be as high as other places; and neither will the level of service you will receive.

Each retailer occupies its respective space which, based on their business model, allows them to operate a profitable enterprise. While one caters to customers who appreciate quality and service ahead of price; the other draws the value-conscious buyer.

The space left in between is the area I call "the deadly middle," where buyers are drawn to inexpensive or high quality. So, be careful when setting your labor rate as it compares to the rest of your market. Does your labor rate say, "We're not good enough to charge the most" or "Come to us because we'll save you money?"

QUALITY STAFF

Hiring and retaining quality staff is critical to a successful shop. While culture and identity are strong reasons employees work at your shop, compensation is what they put in the bank. Ensuring that your shop has a competitive labor rate will go a long way toward retaining top talent.

EXAMPLE

	Flag Hour	Target Labor Rate
Tech A	\$35	
Tech B	\$30	
Tech C	\$27	
Average cost of labor	$35+30+37=\$92$ $\$92 \text{ divided by } 3 = 30.67$	
		$\$30.67/28\%=\109.54

Chart A: The above calculation assumes each tech produces 40 labor hours per week.

EXAMINE YOUR CURRENT PAY PLAN

The industry benchmark for gross profit on labor is 72%. Your cost should be 28% of your collected labor dollars. The example in Chart A shows a sample shop with three technicians, using their rate of pay to determine what the shop's labor rate should be based on the industry benchmark.

KNOW YOUR COMPETITION

Performing a phone survey of the competition will help you to know where prices are trending. Be careful though – you should never discuss your labor rates and pricing with competitors. The federal government has strict laws against price-fixing as the consumer expects prices to be set independently and relevant to supply and demand. For more detailed and specific information, search the FTC's website for "price fixing."

IT'S NOT JUST THE LABOR RATE

Along with having a competitive labor rate, there is an additional item to consider – utilizing a labor multiplier. The labor "guide" is just that, a guide that is meant to assist your shop in providing a fair estimate for the work required. There are many variables that are not taken into account in the published "guide" time.

Things Such as:

- Diagnosis;
- Rust;
- Extensive cleaning;
- Broken bolts;
- Deactivating and reactivating; electronic systems
- Wheel locks; and
- Many other variables.

The key to evaluating your labor rate is to find the balance between charging a fair price that allows your shop to remain competitive, retain and draw customers and, at the same time, provide a wage to your employees that allows your shop to be highly profitable.

Reviewing these five points regularly will keep you on that path.
As seen on Shop Owner by Vic Tarasik

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5 TIPS FOR SELLING PREVENTIVE MAINTENANCE

Imagine the following scenario: It's family vacation time, the car is all packed up, with mom, the kids, the dog and every essential need to have a wonderful time creating family memories crammed inside. Those memories that will last a lifetime, should not start with dreaded breakdown in the middle of Nowhere, USA.

You can almost picture it, the summer sun beating down on a hot, non-functioning car loaded to the roof. "But we just had the car in for an oil change? Shouldn't the tech have seen something was wrong?"

Of course, the repair industry has changed a lot of over the last few years. Reliability has skyrocketed, service intervals are extended, and we have seen a huge technological shift in the way shops do business. There can still be opportunities to do better.

Here are five ways you can improve the effectiveness of selling preventive maintenance and help your customers avoid uncomfortable roadside situations.

DIGITAL VEHICLE INSPECTIONS

The advent of DVI has been a huge game-changer. A well-performed inspection with good pictures and annotations can assist the customer by showing them exactly what your technician is seeing. A quality picture is worth a thousand words! You should treat your inspection process like any other fundamental process, one that needs to be trained, monitored for effectiveness, and always seeking to improve efficiency and adding value.

Keep in mind that the shops that are most successful in implementing digital inspection have the process built into their culture. If you or the leaders in your shop value and understand the impact the process will have, then the team will naturally follow your lead.

USING VISUAL AIDS

Using a color-coded brake pad thickness gauge or fluid comparison charts/trays in photos or live video can help the customer make better-informed decisions. You can find fluid testing report cards for vital fluids and I know of a number of shops who are on this program to show their customer the state of the fluid based on science. Using objective (measurable) data gives both the advisor and customers solid ground to base their recommendations and subsequent buying decisions.

WALK AROUND

We train the customers we coach to add a walk-around inspection as a part of their vehicle intake process. Though it isn't always possible when the customer is present, a walk-around inspection can be especially impactful. Not only can you look at the car together you also have an opportunity to hear directly from the customer any concerns they have.

You can gain additional insight about how the vehicle will be used in the coming months and with that information the service advisor can set up a plan to ensure the vehicle is in peak running condition based on the customer's driving habits.

ASK FOR THE SALE!

It might seem too simple but asking for the sale is one of the most important parts of the sales process. I have reviewed too many phone calls where the service advisor reports the technician's findings to the customer and then just stops. No estimate, no request to have the shop perform the required work, just dead air on the phone line.

The bewildered customer might ask a couple of clarifying questions but in most cases the only question the customer will ask is "When can I pick up my car?" All the effort that you, the owner, put into the shop process, the technician's careful examination of the car and the advisor's time putting the details in the work order has been for nothing. Listening to your incoming and outgoing phone calls will go a long way to closing the loop in the sales process, along with training and on-going role-play exercises.

YOU'RE THE PROFESSIONAL

Consider your shop to be the expert. You have made a commitment to information systems and training to stay current on what is required to service and maintain the complex vehicles that hit your doors. Your customers come to you because of this knowledge and skill – they're looking for you to recommend the best course of action regarding maintenance processes and intervals. Don't be afraid to let them know what they need, and trust and expect them to say yes!

Here is the bottom line: your customers come to you because you are a professional, and they trust you to take care of their automotive needs. They rely on you and your team to provide the best service value and experience, and that includes the reliability and longevity of their vehicle. By reviewing and putting these simple tips into practice, you and your customers will benefit.

As seen on Shop Owner by Vic Tarasik

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DMV ISSUES

We have been receiving calls in regards to the amount of time it is taking the DMV to process sticker returns. We contacted the DMV and they let us know that they are working on each item as efficiently as they can, however, they are experiencing delays and their processing times for returned stickers is currently 6-8 weeks due to the pandemic, staffing levels and above average amount of returns this year. Please keep in mind because of their staffing levels there are delays in the processing of all applications that are sent in.



E-MAIL ADDRESSES

If you are not on our email list that means you are not receiving important information as soon as we get it. If you would like to be on our list, please email mconner@ssdgny.org and you will receive the latest news and opportunities.

SEXUAL HARRASSMENT POLICY AND PROCEDURE

Under the law, every employer in New York State is required to establish a sexual harassment prevention policy and provide sexual harassment prevention training to employees. We will supply you with your company policy and training model for you to present to your employees, give you copies of the policy and the training and case studies along with acknowledgements of receipts for all of these items for each and every employee.

This must be done every year. Last year's requirement was done using the 2019 Edition of the NYS Sexual Harassment Program. We are waiting for the Training Procedure the 2020 Edition to be released. Many of you are in need of renewals the fee for renewals is \$50.00 1-5 employees, \$75.00 for 6-15 employees and \$150.00 for over 15 employees.

If you haven't fulfilled the requirement yet please do so soon. The fee for the original policy with packets is \$75.00 for 1-5 employees, \$125.00 for 6-15 employees and \$200.00 for over 15 employees. You will have all the necessary documentation to be in compliance with the DOL and the DHR.

CLASSIFIEDS

For Sale: Powersports Dealership for sale, Motorcycles, ATVS, UTVS, Snowmobiles, Generators/power washers. Parts dept. Service dept. 8500 sq. ft. building on 8 acres. Rent or buy. Kawasaki and Arctic Cat, Kymco, Generac generators. We are located on the Newburgh/Marlboro NY, RT 9w. High traffic road. Check our website bigboyztoysny.com Call Tony 845-781-3082 cell.

For Sale: NYS Insp. machine & license in Orange County. Asking \$20,000 or best offer. Please call Greg at 845-782-2505.

For Sale: On major state highway. Established Automotive business in the CATSKILLS. Body shop offers 4 plus bays, spray booth w/ complete inventory. Plus, Log home w/3 beds 2 + baths FDR, FIREPLACE. Too much to list. Owner retiring. Priced to sell \$549,000. 845 586 4882

TRIVIA QUESTION

What organization can you receive benefits from if you are a member of SSDGNY? Call the office with the correct answer for a chance to win a free month's dues.

I hope you enjoyed reading this month's bulletin. If you have any questions, please call the association.

Regards,

Carla Obalde

Operations Manager