

## President's Message

I am sorry to say we had to cancel our DC Fly-In scheduled for this month due to the coronavirus. We had a positive showing of WMMA, WMIA and AWFS members ready to visit Capitol Hill. We are working on re-scheduling the event in the near future. We also decided to cancel WIC and re-scheduled our Vietnam trade mission until the fall.

We all are aware of COVID - 19 and its impact on our world - yes the world. The virus is resulting in significant disruption of world economies and a serious health threat. I don't think anyone knows how this virus is going to play out. Fears are accelerating and we are all grappling with the best way to deal with it.

You may think I am irrational or crazy but I want to think somewhat optimistic. I want to believe that this virus will rise and fall relatively quickly. I would hope our economy would mirror those effects. We can't change the fact the virus is here but we can learn, adjust and manage the situation and hopefully make lasting improvements. That's my optimism.

Stay safe and best wishes to all.

Your President,

Steve Carter



## COVID-19 Public Policy Update - Stimulus Update

*Pat Rita, WMMA Director of Public Policy*

**A \$2 trillion stimulus package (H.R. 748) passed the U.S. Senate Wednesday by a unanimous vote and is scheduled to be considered by the House of Representatives later this morning. It is expected to pass and be sent to the President, who will sign the measure. The following is a snapshot of business and other relevant provisions in the 850 plus page measure.**

### Provisions for Individuals:

- \$1,200 payments for individuals with income at or under \$75,000; \$2,400 for married couples at or under \$150,000. In addition, they are eligible for an additional \$500 per child
- Consistent with previous disaster-related relief, the provision waives the 10-percent early withdrawal penalty for distributions up to \$100,000 from qualified retirement accounts for coronavirus-related purposes made on or after January 1, 2020. In addition, income attributable to these distributions would be subject to tax over three years, and the taxpayer may re-contribute the funds to an eligible retirement plan within three years without regard to that year's cap on contributions. Further, the provision provides flexibility for loans from certain retirement plans for coronavirus-related relief.

### Provisions for Corporations:

- **Net Operating Losses (NOLs)** relaxes the limitations on a company's use of losses from prior years. The Tax Cuts and Jobs Act had eliminated for most taxpayers the use of so-called net operating loss (NOL) carrybacks. Package would allow losses from 2018, 2019, or 2020 to be carried back five years. The provision also temporarily removes the taxable income limitation to allow an NOL to fully offset income. The goal of this language is to allow companies to utilize losses and amend prior years' returns, which will provide critical cash flow and liquidity during the COVID-19 emergency.
- **Deferred Social Security Tax Payment** allows employers and self-employed individuals to defer payment of the employer share of the Social Security tax they otherwise are responsible for paying to the federal government with respect to their employees. Employers generally are responsible for paying a 6.2-percent Social Security tax on employee wages. The provision requires that the deferred employment tax be paid over the following two years, with half of the amount required to be paid by December 31, 2021 and the other half by December 31, 2022.
- **Refundable Payroll Tax Credit**—authorizes a refundable payroll tax credit for 50 percent of wages paid by employers to employees during the COVID-19 crisis. The credit is available to employers whose (1) operations were fully or partially suspended, due to a COVID-19-related shut-down order, or (2) gross receipts declined by more than 50 percent when compared to the same quarter in the prior year. The credit is based on qualified wages paid to the employee. For employers with greater than 100 full-time employees, qualified wages are wages paid to employees when they are not providing services due to the COVID-19-related circumstances described above.
- **Corporate AMT Credits**—The corporate alternative minimum tax (AMT) was repealed as part of the Tax Cuts and Jobs Act, but corporate AMT credits were made available as refundable credits over several years, ending in 2021. The provision accelerates the ability of companies to recover those AMT credits, permitting companies to claim a refund now and obtain additional cash flow during the COVID-19 emergency.
- **Business Interest Limitation**—temporarily increases the amount of interest expense businesses are allowed to deduct on their tax returns, by increasing the 30-percent limitation to 50 percent of taxable income (with adjustments) for 2019 and 2020. As businesses look to weather the storm of the current crisis, this provision will allow them to increase liquidity with a reduced cost of capital, so that they are able to continue operations and keep employees on payroll.
- **S-Corp and Pass Throughs**—language modifies the limitation on losses for taxpayers other than corporations. The provision modifies the loss limitation applicable to pass-through businesses and sole proprietors, so they can utilize excess business losses and access critical cash flow to maintain operations and payroll for their employees.

#### **Small Business Provisions:**

- Includes several changes to the 7(a) loan program, the SBA's primary program for providing financial assistance to small businesses.
- Establishes the maximum 7(a) loan (7a refers to section of Small Business Act that authorizes loans to small businesses) amount to \$10 million through December 31, 2020 and provides a formula by which the loan amount is tied to payroll costs incurred by the business to determine the size of the loan. Specifies allowable uses of the loan include payroll support, such as employee salaries, paid sick or medical leave, insurance premiums, and mortgage, rent, and utility payments.
- Increases the government guarantee of 7(a) loans to 100 percent through December 31, 2020, at which point guarantee percentages will return to 75 percent for loans exceeding \$150,000 and 85 percent for loans equal to or less than \$150,000.
- Allows complete deferment of 7(a) loan payments for at least six months and not more than a year, and requires SBA to disseminate guidance to lenders on this deferment process within 30 days.
- Loans may be forgiven. The amount of the forgiveness is equal to the amounts spent by the borrower during the eight weeks from loan origination on payroll costs (up to \$100,000 in wages), mortgage interest, rent or utilities (subject to certain restrictions).
- The forgiveness amount is reduced by layoffs (though employer may rehire workers to mitigate this reduction) or pay reductions in excess of 25%. Amounts forgiven are not treated as taxable income to the borrower.
- Loan amounts may be used for payroll, mortgages, rent, insurance premiums and utility payments.
- Funds the program at \$349 billion for the 7(a) program through December 31, 2020.

In the coming days, we will be watchful for guidance from the SBA on how to apply for these loans. We will make that information available to you. In addition, we fully expect a fourth (this is the third COVID relief package) legislative measure to be developed shortly. Congress will not come back to town until late April at this point, but staff will begin sorting out policy proposals for the next round. We will keep you regularly apprised of developments and if there are policy concepts that would be particularly helpful for our sector, please let us know so that we may put them in play with our champions in Congress.

## **Important WIC 2020**

# Update: Officially Cancelled



After a great deal of consideration and discussion, as of March 25, 2020 the boards of WMIA and WMMA have decided to cancel the 2020 Woodworking Industry Conference (WIC) scheduled for early May in Isle of Palms, SC. This wasn't a decision made in haste, but in light of the concerns and uncertainties related to the coronavirus, and the restrictions currently being imposed on large gatherings and, in some cases, travel, this was the best decision.

Attendees holding confirmed room reservations with Wild Dunes Resort within the WIC room block will have their room reservations canceled with not penalty and will receive email confirmation of the cancellation (as long as an email address was provided to the hotel at the time of reservation). If your room reservation was confirmed as part of the WIC room block, no further action is needed to cancel the reservation.

Please check with your association headquarters for more information about refund of registration fees.

Mark your calendars for [WIC 2021, which will be held April 20-23, 2021](#), at the Hotel Del Coronado in Coronado, CA!

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## TWO Upcoming Webinars in Response to COVID-19 for WMMA Members



W • E • B • I • N • A • R

### Joint WMIA/WMMA Technology Committee Webinar: A Webinar about Webinars

**Friday, April 3 – 2:00 p.m. ET**

*"Zoom where?"*

*"Go to What?"*

*"What do you mean you want to Hang Out?"*

In response to the COVID-19 crisis, with so many companies operating remotely, the WMIA/WMMA Joint Technology Committee will hold a webinar to review the basics of three of the most commonly used web meeting platforms. We will go over some of the differences between the programs to help you find the one that is right for your team, as well as offer you guidance on where you can find more info should you wish to become a pro.

The ideal attendee for this presentation will be anyone on your team who is selling, managing, or working virtually. Please use a device or

### ITR Webinar - Updates for the Wood industry in response to COVID-19 and the oil price drops

**Wednesday, June 3  
(90 Minutes)**

**SAVE THE DATE - DETAILS COMING SOON**

WMMA has contracted for ITR to host an additional economic forecast webinar, exclusively for our members, covering the economic impact of COVID-19 and the oil price drops as it applies to our membership.

Taylor St. Germain will be leading the webinar on behalf of the ITR team.

WMMA is working on the details with ITR and registration will be open shortly, so hold the date and keep an eye out for more information.

computer with a camera, come with a question or two, and put on a shirt so that we can see your smile on video. (You can connect via telephone as well.)

Multiple team members from your company can participate. To register for this free webinar, click below and the system will send you connection information.

[Register For FREE Now](#)



## NAM COVID-19 Resources



The NAM is in contact with federal officials who are overseeing the response to COVID-19. We will work to share additional available information and welcome your concerns and input. As more cities, states and counties issue and revise emergency orders to stop the spread of COVID-19, the National Association of Manufacturers is working to help manufacturers nationwide assess and understand the implications of these orders and emphasize the essential.

- [This linked document is intended as a snapshot to help navigate this rapidly-changing environment.](#) \*Please consult with regulators within the appropriate jurisdiction and your own stakeholders including legal counsel before making a determination on how to best proceed with your company's operations.
- Additionally NAM set up an email portal for manufacturers to weigh in with DHS explaining why their operations should be considered essential during this crisis. We encourage WMMA members to take a minute to email DHS to describe the importance of your facilities to the overall manufacturing supply chain and why we should be considered life-sustaining infrastructure. The DHS email is: [CISA.CAT@cisa.dhs.gov](mailto:CISA.CAT@cisa.dhs.gov)

[Click here to visit NAM's COVID-19 resource page.](#)

## New WMMA Vietnam Trade Mission: October 4-8\*, 2020

**\*NEW DATE (Previously July 7-11)**

The WMMA Board of Directors has made the decision to postpone the customized U.S. Commercial Services trade mission to Vietnam until October 4-8, 2020, in a response to the recent COVID-19 virus. The trade mission's effort is to expose WMMA member companies to Vietnam and help to establish dealer and customer contacts there.

**WMMA Trade Mission to Vietnam  
October 4-8, 2020  
Ho Chi Minh City, Vietnam**

[Click here](#) or on the form image (left) to sign up today. We will be coordinating a special reception, customized one-on-one meetings for each member company with local dealers and

## WMMA Vietnam Trade Mission



Join WMMA for a Trade Mission to Vietnam  
POSTPONED to October 4-8, 2020

Vietnam is one of the fastest-growing economies in the world, and has a strong and growing furniture and wood products manufacturing market. The Vietnamese appetite for American wood machinery is currently unfulfilled.

WMMA's trade mission to Vietnam is intended to expose our members to this potential market, help you to make dealer contacts and create some exposure for your company among potential buyers. The mission will take place October 4-8, 2020. There is a \$500 upfront fee to participate (per company, up to 2 people per company can attend); the \$500 will be reimbursed after the event. Members must attend the event for the \$500 refund.

**NOTE:** After registering for this event, we will send you a questionnaire to help U.S. Commercial Services arrange the appropriate meetings and factory tours for you based on your interests. We will also provide you with access to our hotel block, near the American Center where our meetings will be set up.

### Tentative Schedule

- Oct. 4** Attendees plan to arrive in Ho Chi Minh City on their own.
- Oct. 5** Afternoon - afternoon immersion briefing and market overview with US Commercial Services.  
Evening - No-host dinner at a local restaurant.
- Oct. 6** U.S. Commercial Services-pre-arranged meetings for WMMA company representatives with interested partners (dealers, customers). Followed by evening networking reception.
- Oct. 7** Factory tours and meetings with multipliers.
- Oct. 8** WMMA members can set up follow up appointments on their own or depart for the U.S.

*Participation in this program is capped at 10 companies on a first-come, first-served basis.*

My company is interested in participating in WMMA's Vietnam Trade Mission.

Company \_\_\_\_\_

First Participant \_\_\_\_\_

Email \_\_\_\_\_

Second Participant \_\_\_\_\_

Email \_\_\_\_\_

Credit Card # \_\_\_\_\_

Exp. Date \_\_\_\_\_

CVC # \_\_\_\_\_

Billing Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Cardholder Name \_\_\_\_\_

Signature \_\_\_\_\_

Email Address for Cardholder \_\_\_\_\_

Return this form with payment in U.S. funds to WMMA

2331 Rock Spring Road • Forest Hill, MD 21050 • 443-640-1052 ext. 1108 • fax 443-640-1031 • [diane@wmma.org](mailto:diane@wmma.org)

customers and local facility tours.

Questions or to express interest...  
Contact [Fred@wmma.org](mailto:Fred@wmma.org) for more information.

## New WMMA CueCareer Video Featuring Engineering Intern from Original Saw Company

Cue Career aggregates the resources of industry associations for career exploration/navigation and workforce development. Students explore careers by watching video interviews with people who are early in their career (members of associations) and access workforce development opportunities such as internships, apprenticeships, mentorships, micro-credentials, and badges offered by associations. This type of interaction directly supports our mission to advance CTE within our industry.



Interested in having one of your employees interviewed by a CueCareer Intern?

Email [samantha@wmma.org](mailto:samantha@wmma.org).

## WMMA 2020 Upcoming Events

### April 3, 2020

Joint WMIA/WMMA Technology Committee Webinar: A Webinar about Webinars  
Online Webinar

[Click here to register now](#)

### June 3, 2020

ITR Webinar on COVID-19 and Oil Prices - Economic Trend Update  
Webinar, Online - Details coming soon

### August 25-28, 2020

International Woodworking Fair (IWF) 2020  
Atlanta, GA

[Click here to apply for exhibit space](#)

### October 4-8, 2020

WMMA Trade Mission to Vietnam \*NEW DATE  
Ho Chi Minh City, Vietnam

[Click here to sign-up to participate](#)

**October 13-15, 2020**

WMMA Regional Networking Meeting

Omni Louisville Hotel

Louisville, KY

[View Full Calendar of Events](#)

## Introducing an Exciting New Member Benefit...Just for You!

One challenge many employers face is offering affordable and convenient health care options for their employees. And now WMMA is proud to announce a new member benefit that meets that need. Introducing [National Association of Manufacturers \(NAM\) Health Care](#)— a benefits offering designed specifically for smaller manufacturing companies.

Because WMMA is a member of NAM, you can join other manufacturing companies to purchase and manage coverages together, which allows you to take advantage of enrollment efficiencies, administrative cost savings and more flexible product options previously only available to larger manufacturing companies. With NAM Health Care, your employees can get better health care and quicker enrollment, while making your job easier with ongoing benefits management and administration (which reduces your administrative costs.)

Visit <https://wmma.namhealthcare.com/> to learn more and get a quote. **Questions? Call 855-463-8856.**

[Get a Quote Today!](#)



## Virginia Tech Housing Report - January '20

In January, total building permits increased to their highest level in 13-years on a seasonally adjusted annualized basis. Total housing starts recorded their best two months in December and January since mid-2006. Yet, total and single-family starts declined on a month-over-month basis. Total, single-and multi-family completions, and existing sales also decreased monthly. Singlefamily units under construction and single-family completions and existing were negative on a year-over-year basis.

The March 6th Atlanta Fed GDPNow™ model forecasts an aggregate 13.8% increase for residential investment spending. New private permanent site expenditures were projected at a 19.2% increase; the improvement spending forecast was a 7.2% increase; and the manufactured/mobile housing projection was a 3.1% increase (all: quarterly log change and seasonally adjusted annual rate).

[Click here to view the full January VT Housing Report](#)

