

COVID-19: Monday, 4-20 Update

In an effort to help you stay informed on the federal, state, and local developments regarding COVID-19, CFCFA will be sending updates summarizing the highlights of responses from levels of government. **Please feel free to send this update to colleagues, employees, or anyone you wish to keep up to date on these pressing matters.**

Melendez To Protect Small Businesses from Unnecessary Fines and Penalties Stemming from Coronavirus

From the Office of Melissa Melendez

"Assemblywoman Melissa Melendez, R-Lake Elsinore, announced today that she will be introducing a measure that seeks to protect small businesses from unnecessary fines due to the unemployment insurance auditing process in the wake of the coronavirus.

"Small businesses are feeling some of the harshest consequences from the shelter-in-place orders in the wake of coronavirus," said Melendez. "We as lawmakers now need to make sure they are not frivolously targeted by civil actions, penalties and fines that result from the unintended consequences of employees filing for unemployment benefits."

Assembly Bill 2457 will be amended when the Legislature returns from the coronavirus recess to accomplish the following: (1) It will prohibit a claimant for unemployment benefits from also suing their employers under the Private Attorneys General Act (PAGA) at the same time, thereby protecting small businesses from double jeopardy; (2) Prohibits the Labor Commissioner and the Employment Development Department from using an employment audit for any other purpose than for the determination of an unemployment claim; and (3) Prohibits the Labor Commissioner from assessing any penalties or fines against a small business under the misclassification provisions of AB 5.

"AB 5 has not only been a complete disaster for the people who were self-employed and now seeking help, but for the small businesses who are now at risk of audits, fines and lawsuits," Melendez said. "I agree with the Governor who said 'So often, we take them for granted, even in the best of times. Right now, they have been devastated.' I hope the Governor and my democrat colleagues will join with me to

really help the backbone of our local economies to get them back on their feet.””

US Oil Prices Crash Below \$0 A Barrel

US oil prices crashed Monday to a record low as the market continues to be roiled by an epic collapse in demand caused by the coronavirus pandemic. Global stocks are mixed as investors brace for more companies to reveal how much the crisis is costing them.

US oil futures were down below \$0 a barrel, their worst level since NYMEX opened oil futures trading in 1983. Monday's plunge comes after prices hit an 18-year low last week as markets realized that record output cuts agreed by OPEC, Russia and other producers aren't nearly enough to offset the loss in demand.

[Read More Here.](#)

CFCA in the News: State Budgets Ruined by Lost Fuel Tax Revenue

From OPIS

Excerpt: "One critical element of the gasoline demand destruction is that state revenues collected from fuel taxes were sharply lower in March, and April is shaping up to be much worse.

Lost gasoline tax revenue is just one spoke in a wheel of multiple venues where state budgets are taking a hard hit over the past six to eight weeks. Based on 2019 taxable gallons and 2020 OPIS estimated volumes, average state tax losses year on year averaged 17.5% in March with losses in revenue coming in as high as 25.7%. April estimates for lost tax revenue average 45% with multiple states taking in less than half what they did in April 2019.

It's no surprise that California saw the biggest tax hit in March, because it was one of the first states to implement stay-at-home orders to help combat the spread of coronavirus disease 2019 (COVID-19). In March 2019, California collected taxes on about 1.3 billion gal of fuel sold, but OPIS estimates that taxable gallons totaled less than 961 million in March 2020. Overall that adds up to a roughly \$180 million loss in tax revenue, and April losses are shaping up to be almost double the lost revenue, with OPIS calculating a 51.4% in fuel tax collections, or \$356.87 million.

California can also be a bit different than other states because the state imposes a 2.25% sales tax, and some municipalities have a local sales tax, said James Allison, public affairs and member services manager for the California Fuels and Convenience Alliance.

While each municipality may have a different tax structure, Allison said that on average the figure works out to be about 3.62cts/gal. That revenue from local taxes can be used for road repairs, public health and more, Allison said.

"We likely won't know the tangible impact for localities this has until well after the crisis has passed. Suffice it to say, however, it will almost assuredly hit the urban, populous areas of the state much more heavily than others, simply because they are reliant on sales tax revenue, of which gas stations are a primary contributor," Allison said."

Tell Congress You Need to Keep Your Employees During the COVID-19 Crisis

Help CFCA tell Congress to lower the barriers for accessing Paycheck Protection Program loans.

This program allows employers to file for federal assistance for the purpose of retaining employees and preventing COVID-19 related layoffs. However, as currently implemented, the process presents a great number of challenges for potential applicants and a lack guarantee for these loans only adds to the uncertainty of relief.

This uncertainty is adding to the panic caused by COVID-19, for workers and business owners alike. America, California, and our communities cannot afford the looming layoffs that will occur if this funding is not widely available and guaranteed immediately.

Tell Congress it must guarantee funds for all essential businesses within our industry! Please send a letter to your representatives using the tool on your right.

[Click Here to Send a Letter](#)

Want to stay up-to-date? Follow us on social media, for regular updates on all things being done at CFCA.

