

# BOATING INDUSTRY'S PRIORITIES FOR UPCOMING COVID-19 RELIEF PACKAGE

## State of Play

Despite reports of record sales, the recreational boating industry continues to face multiple economic challenges. Marine manufacturers were shut down for months this spring and 15 percent ceased operations; consequently, boat dealers now face inventory shortages and are struggling to meet demand. Large events, like boat shows, which typically account for 50 percent of boat sales annually, are unlikely to resume this year and potentially into next year.

The recreational boating industry is uniquely American—95 percent of the boats sold in the U.S. are made in the U.S.—generating over \$170 billion in yearly economic impact, and supporting 35,000 businesses and nearly America 700,000 jobs. With additional relief our industry can continue investing in communities across the country and help our economy recover.

## How Congress Can Help

### Provide Financial Relief For Small- and Medium-Sized Business

The forced closures of the small business facilities and plants that make up 84 percent the recreational boating industry caused detrimental financial losses. Congress can implement measures to help marine manufacturers keep workers on the payroll amid an uncertain future.

#### *Establish New Loan Program to Cover at least Six Months of Expenses*

- Congress should pass the RESTART Act (S.3814/H.R.7481), which would provide a new loan forgiveness program covering at least six months of operating expenses for businesses and nonprofits, including 501(c)(6) organizations, that have seen a decline in business from last year.

#### *Improve the Employee Retention Credit*

- The employee retention credit would enable boating businesses to continue supporting jobs by expanding the tax credit from 50 percent of qualified wages, increasing the limit on wages to \$45,000, and allowing PPP recipients to also qualify for the tax credit.

#### *Make the Paycheck Protection Program (PPP) More Flexible*

- The Paycheck Protection Program (PPP) is a critical lifeline for the recreational boating industry, but it should be improved to help more businesses in need. Additionally, PPP should broaden the definition of a nonprofit organization established in the CARES Act to include 501(c)(6) organizations, allowing those organizations to qualify for the PPP and other SBA programs.

### *Support Manufacturers that Produce PPE*

- Congress should provide financial aid and/or tax credits to businesses that have pivoted their manufacturing efforts towards producing PPE to help in the fight against COVID-19.

### *Require Business Interruption Insurance to Cover Losses from COVID-19*

- Congress should require business interruption insurance to cover losses incurred from the COVID-19 pandemic retroactive to a national emergency or when Governors declared a state of emergency, in addition to establishing a federal relief fund for state insured agencies.

### *Support Manufacturer's Research and Development Programs*

- To reduce investment costs and increase economic output levels, the boating community urges Congress to permanently repeal R&D amortization and allow businesses to fully expense the cost of R&D.

### *Remove Section 301 and 232 Tariffs*

- Protecting American jobs is critical at a time when unemployment rates are rising. Congress should work with the administration to eliminate Section 301 Chinese tariffs and Section 232 aluminum and steel tariffs, as well as collaborate with European partners to avoid further global economic loss.

### **Invest In American Manufacturers**

- Congress should pass the National Institute of Manufacturing Act (S.4194) to focus on R&D and policies for small manufacturers and serve as a hub for all federal manufacturing programs in the executive branch.

### **Ensure Workplace Safety for Employees and Consumers**

- Marine manufacturers are reopening safely and implementing measures such as social distancing, temperature checks, and health evaluations. To bolster these efforts, the industry supports robust funding for the public health community to support testing and contact tracing efforts.

### **Help State and Local Governments**

- As state and local revenues losses mount, states and municipalities are beginning to furlough workers—which has led to the closure of boating access points. The industry plays an important role through the Sportfish Restoration and Boating Trust Fund, which provides more than \$360 million to state fish and wildlife agencies and \$115 million to the U.S. Coast Guard for boating safety and law enforcement. Congress should ensure state and local governments receive robust funding to continue their critical role in supporting our frontline workers and law enforcement officers.

