

# Small Business Notes

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## **Rules Proposed to Strengthen “Buy American” Requirements for Federal Agencies**

The federal “Buy American” statute (41 U.S.C. Chapter 83) requires that federal agencies purchase products, supplies, and materials that are “substantially all” made from domestic components unless an exemption or waiver applies (for example, IT products, all services, and goods covered by trade agreements with foreign countries are exempt). On July 30, the Federal Acquisition Council proposed a new rule substantially strengthening the “Buy American” requirements (86 FR 40980). That proposal was in furtherance of Executive Order 14005 of January 25, 2021 which directed all federal agencies “...to maximize the use of goods, products, and materials produced in the U.S. in order to strengthen and diversify domestic supply bases and create new opportunities for U.S. businesses and workers.”

Under the proposed rule, the percentage cost of domestic components will increase immediately from the current 55 percent of total cost to 60 percent, then to 65 percent by 2024, then to 75 percent by 2029. The domestic content percentage with which contractors must comply will be the percentage in effect at time of delivery.

Enhanced domestic price preferences will be put in place for critical end products after the federal Office of Management and Budget conducts its Critical Supply Chain Review required under Executive Order 14107.

Also proposed is a new requirement that contractors provide post-award reports on the domestic content of critical products and domestic end-products containing critical components.

Interested and affected parties wishing to comment on the proposed rule can do so at the address given in the Federal Register notice referenced above.

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## IRS Expands Employer Credit for Sick Leave and Family Leave Wages for COVID Activities

The IRS has amended its Frequently Asked Questions relating to employer credits for sick and family leave activities relating to treatment for, or immunization against, COVID-19.

The amendment provides a credit against wages paid to an employee for paid time off taken to accompany an individual to obtain immunization; or to care for an individual who is recovering from any injury, illness, disability, or other condition related to receiving the immunization.

For purposes of the credit, an “individual” includes:

- An immediate family member;
- Someone residing on a regular basis in the employee’s home;
- A person with whom the employee has a relationship that creates an expectation that the employee will care for that person. (A person with whom the employee does not have a relationship of this kind is not an “individual” for purposes of the credit.)

## Minnesota Department of Revenue to Offer Both General and Industry Specific Sales and Use Tax Webinars in September and October

The Minnesota Department of Revenue will be offering the following upcoming sales and use tax webinars:

- Introduction to Sales and Use Tax  
Wednesday, September 15; 9:00AM to 11:30 AM
- Sales and Use Tax for Retailers  
Tuesday, September 21; 9:00 AM to 11:00 AM
- Sales and Use Tax for Taxable Service Providers  
Thursday, October 7; 9:00 AM to 11:30 AM
- Sales and Use Tax for Manufacturers  
Wednesday, October 13; 9:00 AM to 12:00 PM

For additional information on the content of the webinars and to register go to Sales Tax Education, <https://www.revenue.state.mn.us/sales-tax-education>

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Past issues of Small Business Notes are available on the Department of Employment and Economic Development website at [Small Business Notes](#)

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