

June 2, 2022

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
House Minority Leader
United States House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Senate Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

RE: Dear Speaker Pelosi, Leader Schumer, Leader McCarthy, and Leader McConnell:

Recent votes on small business aid in Congress are a clear recognition that small businesses and nonprofits in the United States still require financial relief to provide the final push in recovery from economic hardships caused by the COVID-19 pandemic. The undersigned organizations represent 102 different industries and nonprofits who for months have been advocating for reinstatement of fourth quarter 2021 access to the Employee Retention Tax Credit (ERTC).

As you are aware, the ERTC has been touted as a valuable financial resource for suffering employers who qualify, to keep their employees on the payroll and continue their operations through turbulent times. Additionally, ERTC was available to all small employers who qualified under the program.

Unfortunately, the Infrastructure Investment and Jobs Act (IIJA) cut this vital program short three months early – making wages paid after Sept. 30, 2021, ineligible for the credit. Ending the ERTC early – amid an extraordinarily challenging business environment – made it impossible for small employers to forecast financial solvency into the new year.

The Employee Retention Tax Credit Reinstatement Act (H.R. 6161/S.3625) is strong legislation currently boasting over 100 bipartisan cosponsors across both chambers, including 57 Republicans and 46 Democrats. The legislation is supported by nearly 70 small business and nonprofit organizations and is the best viable option to restore much needed assistance that was previously promised, but subsequently denied.

The need for passage has only grown more dire as employers face ongoing supply chain disruptions and increased inflation, making the costs of operating insurmountable in many cases. This is particularly painful for many small businesses and charitable nonprofits that continued to take the tax credit into the fourth quarter, which started six weeks before the infrastructure bill was signed into law. These employers are now facing a retroactive tax increase and a complex, disruptive process of reconciling the credit that they will now have to forfeit.

According to the Congressional Budget Office assessment provided for the IIJA, fourth quarter access to the ERTC in July of 2021 cost an estimate of \$8.2 billion, which was already allocated to

the program¹. We anticipate that cost for the legislation would unfortunately be decreased today due to previously eligible entities no longer being operational. The bill would also require no additional administrative appropriations, because the ERTC program has been fully operational since April 2020 and Congress recently allocated additional funds to the Internal Revenue Service to meet 2021 tax filing demand².

While we believe the ERTCRA has a successful path to passage in both chambers as a freestanding bill, there are opportunities for Congress to deliver this much needed aid through other vehicles such as legislation currently in conference (COMPETES and USICA) strengthening supply chains and enhancing U.S. economic competitiveness. Small businesses and nonprofits are often referred to as the backbone of the U.S. economy, combined representing nearly 50% of gross domestic product³. Immediate action to pass the ERTCRA would allow small employers to turn the page on a tumultuous 26 months and strengthen American competitiveness throughout the world.

We urge you to do everything in your power to pass the Employee Retention Tax Credit Reinstatement Act and fulfill its promise to American small businesses and nonprofits.

Thank you for your consideration on this important matter. If you have any questions or would like to discuss this further, please contact Robert Jackson with the National Automatic Merchandising Association (NAMA) at rjackson@namanow.org.

Sincerely,

Adaptive Adventures
Alternatives, Inc.
American Alliance of Museums
American Bus Association
American Heart Association
American Rental Association
American Society of Travel Advisors (ASTA)
American Staffing Association
Argentum
Ascentria Care Alliance
Asian American Hotel Owners Association (AAHOA)
Associated Builders and Contractors
Associated General Contractors of America
Association of Art Museum Directors
BorderLinks

¹https://www.cbo.gov/system/files/2021-08/hr3684_infrastructure.pdf

² Public Law No: 117-103

³ <https://advocacy.sba.gov/2019/01/30/small-businesses-generate-44-percent-of-u-s-economic-activity/>

⁴ <https://independentsector.org/wp-content/uploads/2022/03/Quarterly-Health-Report-March-2022.pdf>

California Association of Nonprofits
Carmen Group
Cross Roads Camp and Retreat Center
DANA, Delaware Alliance for Nonprofit Advancement
Dance/NYC
Dance/USA
Drycleaning & Laundry Institute
Elite Catering & Event Professionals (ECEP)
Exhibitions & Conferences Alliance
Experiential Designers & Producers Association
Faith & Giving
Florida Nonprofit Alliance
Foster Care Review, Inc.
Friends of Johnson County Library
Girl Scouts of the USA
Goodwill Industries International, Inc.
Hawai`i Alliance of Nonprofit Organizations
Hotel Association of New York City
IAAPA, The Global Association for the Attractions Industry
Idaho Nonprofit Center
IHRSA, The Global Health and Fitness Association
Illinois Automatic Merchandising Council
Independent Office Products & Furniture Dealers Association
Independent Restaurant Coalition
Independent Sector
International Franchise Association
International Inbound Travel Association
ISSA - The Worldwide Cleaning Industry Association
Jewish Community Foundation of Central Pennsylvania
Jewish Federations of North America
KABOOM!
Kansas Nonprofit Chamber
Kentucky Nonprofit Network
League of American Orchestras
Little Flower Children and Family Services of New York
Los Angeles Maritime Institute
Louisiana Association of United Ways
Maine Association of Nonprofits
Maryland Chamber of Commerce
Maryland Nonprofits
Mental Health America
Michigan Nonprofit Association
Momentum Nonprofit Partners
Mount Snow Adaptive Sports

Multicultural Community Services, Inc.
NAMA (National Automatic Merchandising Association)
National Association of Theatre Owners
National Association of Free and Charitable Clinics
National Council of Nonprofits
National Employment Opportunity Network
National Federation of Independent Business (NFIB)
National Independent Venue Association
National Newspaper Association
National Restaurant Association
National Tour Association
Nebraskans for the Arts
Network of Jewish Human Service Agencies
NetworkPeninsula
Nevada Outdoor School
New England Refreshment Services Association
New Jersey Association of Mental Health and Addiction
Agencies, Inc.
New Mexico Thrives
New York State Sickle Cell Advocacy Network, Inc.
Nonprofit Association of Washington
Nonprofit New York
North Carolina Center for Nonprofits
Northeast Massachusetts Youth Orchestras, Inc.
OPERA America
Princeton-Blairstown Center, Inc.
Professional Nonprofit Theater Coalition
Serve the City Peninsula
The Payroll Group
The Potters' Studio
Theatre Communications Group
Topeka Latino Professionals Association
Tri-State Automatic Merchandising Council
United States Tour Operators Association
United Way of Brazoria County
United Way Worldwide
UnitedWayCentral Ky
Via of the Lehigh Valley
Wellspring & the Arch Bridge School
Whale and Dolphin Conservation
WonderLab Museum of Science, Health and Technology
Worcester County 4-H Center Inc. - Camp Marshall
YMCA of the USA