

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 program<sup>1</sup>. 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 demand<sup>2</sup>.

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 product<sup>3</sup>. 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](mailto: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

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<sup>1</sup>[https://www.cbo.gov/system/files/2021-08/hr3684\\_infrastructure.pdf](https://www.cbo.gov/system/files/2021-08/hr3684_infrastructure.pdf)

<sup>2</sup> Public Law No: 117-103

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

<sup>4</sup> <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