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Coalition of Trade Associations and Nonprofits Applauds Senate Introduction of the Bipartisan Employee Retention Tax Credit Reinstatement Act

A coalition of over 70 organizations representing a variety of charitable nonprofits and trade associations commended U.S. Sens. Maggie Hassan (D-NH), Tim Scott (R-SC), Mark Warner (D-VA), Shelley Moore Capito (R-WV) and Ben Cardin (D-MD) on today's introduction of the Employee Retention Tax Credit Reinstatement Act (S. 3625) and urged swift passage of the bill to restore 2021 fourth-quarter access to the credit.

Introduction comes on the heels of <u>a letter sent by the coalition</u> imploring the Biden Administration and Congress to restore the Employee Retention Tax Credit (ERTC). The letter notes that the now-prolonged recovery has stalled rehiring and cast a veil of financial uncertainty for employers.

The Employee Retention Tax Credit Reinstatement Act originated in the House with U.S. Reps. Carol Miller (R-WV), Kevin Hern (R-OK), Stephanie Murphy (D-FL) and Terri

A. Sewell (D-AL) introducing H.R. 6161 in December. The bill now boasts 54 bipartisan co-sponsors.

On the Employee Retention Tax Credit Reinstatement Act:

Carla Balakgie, President & CEO
National Automatic Merchandising Association (NAMA)

"ERTC remains a lifeline for a vast number of small businesses. For many, their future literally rides on this funding. The convenience services industry – operators of traditional vending and micro markets, providers of office coffee and pantry services, and more – kept delivering nourishment and necessities to essential workers throughout the depths of the pandemic. Now, NAMA members are eager to fully get back to it, and they are just asking Congress to not cut short its promise of ERTC access for all of 2021."

Kristen Swearingen, Vice President, Legislative & Political Affairs Associated Builders & Contractors

"ABC is proud to support this common-sense, bipartisan proposal that will provide certainty and relief for many of America's construction employers who were adversely affected by the COVID-19 pandemic. Preventing this retroactive tax hike on our contractors will ensure that they are able to continue with their recovery efforts while providing good-paying jobs for America's workers."

Eben Peck, Executive Vice President of Advocacy American Society of Travel Advisors

"ASTA strongly supports the Employee Retention Tax Credit Reinstatement Act and commends Senators Hassan, Scott and all the original cosponsors for their leadership and for recognizing that, for many businesses, the pandemic is far from over. We hope that Congressional leadership recognizes this as well and ensures that the next appropriate legislation moving through Congress incorporates this bill. Travel agencies and others who continue to be impacted by COVID were counting on this support in the 4th quarter of 2021 as they worked to bring back furloughed staff and start to rebuild their businesses. With Paycheck Protection Program funds having long since run dry and prospects for future relief uncertain, the ERTC is the

only game in town for industries like travel that face a long COVID recovery window."

Michelle Mason, FASAE, CAE, President and CEO ASAE

"The American Society of Association Executives strongly supports restoring the Employee Retention Tax Credit (ERTC). Employers across the economy relied on this important credit, but its desperately needed relief was cut short. Prematurely eliminating the ERTC harmed employers of all kinds, including thousands of associations and other nonprofits that were ineligible for the Paycheck Protection Program. ERTC provided them the only means to help retain their employees, pursue their missions and promote their members. Congress must restore the ERTC, and we applaud Senators Hassan, Scott, Warner, Capito and Cardin for introducing their critical legislation."

Stephen E. Sandherr, Chief Executive Officer Associated General Contractors of America

"This tax credit was key to helping many construction firms retain their employees during the pandemic. Many firms continued to struggle with project delays and cancellations, supply chain disruptions and other COVID-related challenges through the end of 2021 and reinstating the credit will prevent an unwanted retroactive tax increase on unsuspecting contractors and help preserve high-paying construction jobs going forward."

James Balda, President & CEO Argentum

"Senior living providers have been working tirelessly to care for our nation's most vulnerable seniors while supporting their hero caregivers serving on the frontlines of this pandemic. The Employee Retention Tax Credit had been an essential tool for these providers to meet their enormous financial and workforce challenges but was unfortunately and prematurely ended. Argentum, along with a coalition of organizations, strongly supports the Employee Retention Tax Credit Reinstatement Act to restore this tax credit as originally intended and ensure that providers do not face unanticipated crippling tax burdens, particularly as they also contend with the new challenges of the Omicron variant. We commend Senators Hassan, Scott, Warner, Capito and Cardin for their efforts to support our nation's senior living

workers and businesses."

Kitty Leggieri, President National Employment Opportunity Network

"National Employment Opportunity Network members are grateful to the sponsors for their efforts to renew the Cares Act Employee Retention Credit. ERC has been a lifeline to help employers nationwide to retain their employees despite the negative economic impact of the pandemic. The elimination of the ERC halfway through the fourth quarter of 2021 was premature, and its restoration will help employers survive an economy that is still suffering serious economic disruptions."

Vijay Dandapani, President & CEO Hotel Association of New York City

"The sudden and unexpected early termination of ERTC for the 4th quarter 2021 had a particularly devastating effect on the already severely debilitated New York City hotel industry. Unlike other parts of the country, the City's hotels had the opposite problem with regard to staff that were eager to return to work, but hotels that were financially unable to bring them back to the workplace."

Hal McEvoy, President and CEO IAAPA, The Global Association for the Attractions Industry

"IAAPA applauds the bipartisan leadership of U.S. Sens. Maggie Hassan (D-NH), Tim Scott (R-SC), Mark Warner (D-VA), Shelly Moore Capito (R-WV) and Ben Cardin (D-MD) for introducing legislation to preserve the full year allowance of the Employee Retention Tax Credit (ERTC) as Congress intended."

Liz Clark, President & CEO International Health, Racquet & Sportsclub Association (IHRSA)

"We applaud Senators Hassan, Scott, Warner, Capito and Cardin for their leadership in working to restore the promise Congress made when they introduced the program. The Employee Retention Tax Credit has been crucial for the fitness industry still struggling under the weight of COVID-19 related closures and restrictions. The unexpected early termination of the program worsened an already difficult situation for many of these businesses."

Mike Tucker, Executive Director
Independent Office Products & Furniture Dealers Alliance

"Office products and furniture businesses have been through a lot the past two years. Our members have done everything they can to keep their employees. However, they are finding it harder and harder to keep their employees without additional help. The Independent Office Products and Furniture Dealers Association (IOPFDA) cannot thank these Senators enough for re-introducing ERTC legislation today. If it gets passed, our members can continue to operate and keep our employees in their jobs. If not, I'm not sure what happens next."

Jeffrey Moore, Chief Strategy Officer Independent Sector

"The Employee Retention Tax Credit has been a lifeline in helping nonprofits rebuild and continue to deliver key services throughout the pandemic. The nonprofit sector – America's third largest employer – lost over 1.6 million jobs during the worst of the economic crisis and is still missing nearly 500,000 jobs. While these lost jobs reflect families that are missing a paycheck, they also point to an issue of even greater urgency: unmet community needs. We will continue to advocate for this critical ERTC restoration legislation, while also calling on Congress to clarify key parameters of the credit for nonprofits and to extend it further. With nonprofits and other employers grappling with the economic consequences and administrative burden of retroactive repeal, Independent Sector is deeply grateful to the sponsors for their leadership."

Michael Layman, Senior Vice President of Government Relations and Public Affairs International Franchise Association

"IFA applauds the Senate introduction of the Employee Retention Tax Credit Reinstatement Act, which will allow business owners still struggling with the effects of the pandemic to take advantage of this important tax credit, as it was originally intended in the CARES Act. The last several months have been challenging for many local franchise brands, especially given the current hiring and recruitment challenges, and this tax credit will help preserve small business jobs and healthcare benefits for the businesses that need it most."

John Nothdurft, Director of Government Affairs
ISSA - The Worldwide Cleaning Industry Association

"Many small businesses are still struggling to get back to normal. The reinstatement of the ERTC will help the industries hardest hit to retain and invest in their workforce. ISSA – The Worldwide Cleaning Industry Association fully supports the reinstatement of this critical lifeline for small businesses as they struggle to cover their overhead during this difficult time."

Stephan Kline, Associate Vice President for Public Policy Jewish Federations of North America

"The Employee Retention Tax Credit was doing exactly what it was supposed to do to combat the pandemic: allowing nonprofits like Jewish community centers, Jewish day schools and Jewish family service agencies to retain critical employees in the face of severe economic challenge. Since its creation, ERTC became a true lifeline preserving nonprofit economic viability. We commend Senators Hassan (D-NH), Scott (R-SC), Capito (R-WV), Cardin (D-MD) and Warner (D-VA) for introducing bipartisan legislation to reinstate this important provision."

Simon Woods, President and CEO League of American Orchestras

"Performing arts organizations in communities nationwide were counting on access to the ERTC through 2021 when they made re-hiring and re-opening decisions. Reinstatement is a critical form of support to help fund recovery from the pandemic."

John Fithian, President and CEO National Association of Theatre Owners

"Movie theater owners applaud introduction of the bipartisan Employee Retention Tax Credit Reinstatement Act. We look forward to working with our leaders in Congress to pass this critical legislation, which will help cinema exhibitors bring employment opportunities and the shared cultural experience of moviegoing to communities across the nation."

Courtney Titus Brooks, Senior Manager of Federal Government Relations NFIB

"The Employee Retention Tax Credit (ERTC) was a great resource for small businesses throughout the COVID-19 pandemic and provided many businesses the

financial support they needed to keep their employees on the payroll. By passing this legislation and reinstating the ERTC for the fourth quarter of 2021, owners who were planning on using the tax credit will no longer face a retroactive tax increase, something small businesses simply cannot afford right now. NFIB encourages Congress to pass the Employee Retention Tax Credit Reinstatement Act as small businesses continue to work on their economic recovery."

Tim Delaney, President and CEO National Council of Nonprofits

"The Employee Retention Tax Credit is, and has always been, a disaster relief provision designed to help employers keep workers on the payroll during trying times. That is certainly how thousands of charitable nonprofits used the refundable payroll tax credit until it expired prematurely this past fall – almost simultaneously with when the need for it became greater because the Omicron variant raged. Without the swift passage of the Employee Retention Tax Credit Reinstatement Act and the restoration of the ERTC for the fourth quarter of 2021, layoffs at community-based nonprofits will be necessary, harming the economic recovery and causing a reduction in the vital services our fellow residents need. The National Council of Nonprofits thanks the Senators for introducing this timely legislation."

Sean Kennedy, Executive Vice President of Public Affairs National Restaurant Association

"The Employee Retention Tax Credit has been an important tool for small business restaurants that continue to feel the brunt of the pandemic. Its elimination carried an extra blow for operators that had withheld payments or budgeted for a credit payment and now face an unexpected federal tax liability. We appreciate Sen. Hassan's leadership on this bill and her on-going support of the restaurant industry and hope that Congress will move quickly to reinstate ERTC."

Karen Dutro, Executive Director NetworkPeninsula

"Reinstating the Employee Retention Tax Credit will give nonprofit organizations access to a crucial retaining program in the middle of a workforce crisis in the sector. This bipartisan effort will support nonprofits providing essential services to the Peninsula region of Virginia and across the Commonwealth."

Nataki Garrett, Artistic Director Professional Non-Profit Theater Coalition

"The Professional Nonprofit Theater Coalition commends the introduction of the ERTC Reinstatement Act. This critical legislation will fulfill a promise made by Congress and provide a much-needed lifeline to the nation's nonprofit theaters as we work to recover from the pandemic."

Tom Bosman, President The Payroll Group

"The employee retention tax credit was a lifeline to millions of small businesses that continue to feel the impact of COVID-19," said Tom Bosman, President of The Payroll Group. "As the largest trade association representing independent payroll and HR professionals, we will see first-hand how reinstating the credit for Q4 2021 will provide much-needed relief to businesses. We commend Senator Maggie Hassan (D-NH) and Senator Tim Scott (R-SC) for their leadership. As the Senate and House work toward a funding bill for FY 2022, it is critically important that they include this legislation to support small businesses and the millions they employ."

Neal Denton, EVP, Government Relations and Chief Public Policy Officer YMCA OF THE USA

"The Employee Retention Tax Credit allowed YMCAs and other nonprofits to keep critical staff on the payroll so they could continue to meet the needs of their communities as they wade through the challenges of the pandemic. We are grateful for the strong bipartisan support of the ERTC Reinstatement Act and the recognition that the ERTC is an important tool to keep people employed and strengthen communities."