

May 26, 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: Employee Retention Tax Credit Reinstatement Act (ERTCRA) Best Viable Option for Relief**

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 **XX** 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 IJA, 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 global domestic product<sup>34</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 fulfil 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,

---

<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/2020/10/sector-health-report-101220.pdf>