

March 18, 2020

The President
The White House
1600 Pennsylvania Ave, NW
Washington, DC 20500

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

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

Mr. President, Speaker Pelosi, and Majority Leader McConnell:

As America confronts COVID-19, it is critical that any fiscal and economic response to help businesses survive the crisis match the scale and intensity of the steps being taken to end the pandemic.

Schools, workplaces, and entire industries have been closed in an effort to slow the spread of the disease. These steps are unprecedented, as is the speed and severity of the economic collapse they have precipitated. The operations of millions of businesses are threatened, together with the jobs of the millions of workers they employ.

Individually and family-owned companies operate on their cash flow, and that cash flow has been severely disrupted in the past week – their costs are up and their revenue flows are down, if not shut off completely. The public response to the pandemic should be over in a few months, but the negative effects of lost jobs and closed businesses will be with us for much longer.

To minimize the number of businesses closed and workers unemployed, the response from Washington needs to be coordinated, massive, and focused on ensuring that *all* businesses have the resources necessary to ride out the pandemic. This response should include – but not be limited to – the following areas:

- Immediately provide readily accessible, unsecured credit to businesses of *all* sizes to ensure they have the cash to pay their workers, rent, and other costs during this crisis. While Congress, Treasury and the Federal Reserve have recently announced policies to increase the availability of credit to some businesses, these policies need to be expanded to make certain they are comprehensive and that the credit is readily available to *all* operating businesses in the short term.
- Suspend the filing of business returns and the payment of *all* business taxes to the federal government for the duration of the pandemic. These suspended taxes should include taxes owed for the 2019 Tax Year, estimated payments for 2020, and all payroll tax obligations. The

suspension should be broad and apply to all businesses. When the pandemic is over, the repayment of any deferred taxes should be spread out over time.

- Amend the Tax Code to, among other items, restore the ability of businesses to carryback any net operating losses against previous year tax payments; suspend the application of the Section 163(j) limitation on interest expense deductions for tax year 2020 to avoid penalizing businesses for borrowing during this crisis; and suspend the Section 461(l) loss limitation on pass-through businesses to allow the owners of pass-through businesses to fully deduct any losses they incur this year.

The undersigned groups believe the key to helping businesses survive this crisis is to reduce their costs and increase their cash flow as much as possible in the coming weeks. The policies above are designed to do that and ensure that businesses are not penalized by the Tax Code if they lose money or increase their debt levels in 2020.

We appreciate your consideration and thank you for your leadership during these very difficult times.

Sincerely,

Agricultural Retailers Association
American Beverage Licensees
American Composites Manufacturers Association
American Council for Capital Formation
American Council of Engineering Companies
American Dental Association
American Farm Bureau Federation
American Forest & Paper Association
American International Automobile Dealers Association
American Supply Association
American Veterinary Medical Association
Angel Capital Association
Asian American Hotel Owners Association
Associated Builders and Contractors
Associated Equipment Distributors
Associated General Contractors of America
Association of Home Appliance Manufacturers
California Association of Winegrape Growers
CCIM Institute
Collision Repair Specialists (SCRS)
Construction Industry Round Table
Convenience Distribution Association (CDA)
Council of Insurance Agents and Brokers
DHI – Door Security + Safety Professionals
Equipment Leasing and Finance Association (ELFA)
Family Business Coalition
Foodservice Equipment Distributors Association (FEDA)
Heating, Air-conditioning, & Refrigeration Distributors International (HARDI)
Independent Bakers Association

Independent Community Bankers of America
Independent Electrical Contractors
Independent Insurance Agents & Brokers of America
Independent Office Products & Furniture Dealers Alliance
Institute for Scrap Recycling Industries
Institute of Real Estate Management
International Association of Plastics Distribution
International Foodservice Distributors Association
International Franchise Association
International Sign Association
International Wood Products Association
ISSA – The Worldwide Cleaning Industry Association
Manufactured Housing Institute
Manufacturer & Business Association
Metals Service Center Institute
Mortgage Bankers Association
NACS
National Apartment Association
National Asphalt Pavement Association
National Association of Broadcasters
National Association of Chain Drug Stores (NACDS)
National Association of Electrical Distributors
National Association of REALTORS®
National Association of Wholesaler-Distributors
National Automobile Dealers Association
National Beer Wholesalers Association
National Cattlemen's Beef Association
National Community Pharmacists Association
National Cotton Council
National Electrical Contractors Association
National Grocers Association
National Limousine Association
National Lumber and Building Material Dealers Association
National Marine Manufacturers Association<sup>[L]
[SEP]</sup>
National Mining Association
National Multifamily Housing Council
National Office Products Alliance
National Oilseed Processors Association
National Ready Mixed Concrete Association
National Roofing Contractors Association
National Small Business Association
National Stone, Sand & Gravel Association
National Tooling and Machining Association
National Waste & Recycling Association
NATSO, Representing America's Travel Centers and Truckstops
NEMRA (National Electrical Manufacturers Representatives Association)
NFIB
North American Association of Food Equipment Manufacturers (NAFEM)

North American Die Casting Association
Office Furniture Dealers Alliance
Outdoor Power Equipment and Engine Service Association
Precision Machined Products Association
Precision Metalforming Association
REALTORS® Land Institute
Renewable Fuel Association
Reserve Organization of America (ROA)
Retail Industry Leaders Association
S Corporation Association
Small Business & Entrepreneurship Council
SNAC International
Society of Independent Gasoline Marketers of America (SIGMA)
Southeastern Lumber Manufacturers Association
Specialty Equipment Market Association
The Aluminum Association
The American Institute of Architects
Vinyl Institute
Western Equipment Dealers Association
Wine and Spirits Wholesalers of America