July 24, 2020

The Honorable Nancy Pelosi  
Speaker of the House  
1236 Longworth House Office Building  
Washington, DC 20515

The Honorable Kevin McCarthy  
House Minority Leader  
2468 Rayburn House Office Building  
Washington, DC 20515

Dear Speaker Pelosi and Minority Leader McCarthy,

In this time of uncertainty and economic turmoil, the Paycheck Protection Program (PPP) has been a lifeline to American small businesses trying to do right by their workers and keep their dreams and companies afloat. As a coalition of associations representing many of these small businesses, we welcome and support efforts like H.R. 6821 – the Small Business Expense Protection Act of 2020.

Guidance released by the IRS which interprets PPP funds as taxable income clearly goes against the intention of Congress in drafting those portions of the CARES Act. The chairmen of the Senate Finance and House Ways and Means committees view this IRS ruling as defying congressional intent. By disallowing normal business deductions, the IRS is, in effect, taxing forgiven PPP dollars and underhandedly reducing the actual amount of aid extended to desperate American workers and small businesses.

The people of the United States are in a place of unprecedented economic distress. Congress needs to do right by the people of this country, by business owners and by workers who are struggling through no fault of their own. This is why our associations support H.R. 6821, and bills like it, which will help to blunt the devastating impact of the COVID-19 pandemic on America’s small businesses and the families of their employees. We sincerely hope you will support H.R. 6821 and push for its speedy passage.