

December 1, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Charles E. Schumer
Democratic Leader
United States Senate
Washington, D.C. 20510

Dear Speaker Pelosi and Leaders McConnell, Schumer, and McCarthy:

The undersigned organizations represent small businesses in every sector of the economy, and we urge swift action this Congress to support America's small businesses with much needed additional relief. Our small business members are desperately struggling to survive the COVID-19 pandemic and are facing an uncertain winter marketplace. Thus, we are specifically asking you to expeditiously enact legislation which would allow businesses to access a second Paycheck Protection Program (PPP) loan with tax deductibility and streamlined forgiveness.

First, we urge support for a PPP second draw. The PPP was a historically successful relief measure, and we commend you for its formulation and speed to market. But it is now clear that nearly all PPP proceeds have been used: according to the NFIB Research Center, 90% of PPP borrowers have spent their entire PPP loan, and they face difficult choices every day the pandemic continues. A recent survey of the hotel industry found that 98% would use a second PPP loan and 71% percent said they feared they would be forced to close within the next 6 months without additional federal relief. Furthermore, the recent spike in COVID-19 cases and resulting government shutdowns make it a moral imperative that the federal government provide additional relief to help small businesses survive these shutdowns.

The PPP was uniquely crafted to allow small businesses fast access to capital at the outset of this crisis, and it remains the best solution to provide relief a second time. PPP should also be expanded to small business that are structured as 501(c)6 or quasigovernmental destination marketing organizations (DMOs) who were left out of PPP. As our country returns to normal and restarts business and leisure travel, these organizations will be vital economic redevelopment drivers across the country – but they must first survive the pandemic.

We also urge Congress to lighten the tax burden of existing PPP recipients in two ways. Our members call on Congress to enact full tax deductibility for PPP loans, which is consistent with congressional intent. There are multiple bipartisan bills that would clarify PPP recipients that secure forgiveness can deduct business expenses paid by the PPP loan from their taxes. Congress should also simplify forgiveness for the smallest PPP borrowers. As you know, the smallest businesses received the smallest PPP loans, and thus we hope Congress can relieve the loan forgiveness burden for recipients of loans totaling \$150,000 or less by including the "Paycheck

Protection Small Business Forgiveness Act” (S. 4117/H.R. 7777) in any relief measure that advances.

Small businesses are struggling throughout the country during this unprecedented health and economic crisis. With the election now behind us, our members are desperately calling on Congress to act. More than \$130 billion is still available in the PPP loan program, yet small businesses and their employees are unable to access those critical funds because of congressional inaction. We urge you to provide a lifeline for small businesses facing insolvency, closure, and layoffs from what has become a prolonged economic crisis due to the pandemic.

Thank you for your consideration.

Sincerely,

AICC, The Independent Packaging Association
Academy of General Dentistry
Agricultural Retailers Association
Air Conditioning Contractors of America
American Association of Franchisees and Dealers
American Bakers Association
American Beverage Licensees
American Foundry Society
American Frozen Food Institute
American Hotel & Lodging Association
American Institute of Architects
American Road & Transportation Builders Association
American Society of Travel Advisors
American Staffing Association
American Trucking Associations
American Veterinary Medical Association
Asian American Hotel Owners Association
Associated Builders and Contractors
Associated Equipment Distributors
Associated General Contractors of America
Association of the Wall and Ceiling Industry
Auto Care Association
CAWA – Representing the Automotive Parts Industry
Commercial Food Equipment Service Association
Consumer Bankers Association
The Design-Build Institute of America
Energy Marketers of America
Equipment Leasing and Finance Association
Family Enterprise USA
Foodservice Equipment Distributors Association
Franchise Business Services

Global Business Travel Association
Global Cold Chain Alliance
ISSA – The Worldwide Cleaning Industry Association
Independent Electrical Contractors
Independent Insurance Agents & Brokers of America
Independent Office Products & Furniture Dealers Alliance
Industrial Fasteners Institute
International Council of Shopping Centers
International Foodservice Distributors Association
International Franchise Association
International Warehouse Logistics Association
Job Creators Network
Latino Hotel Association
Manufacturer & Business Association
Marine Retailers Association of the Americas
NACS
NFIB
National Association of Black Hotel Owners, Operators and Developers
National Association of Electrical Distributors
National Association of Home Builders
National Association of Manufacturers
National Association of the Remodeling Industry
National Association of Professional Employer Organizations
National Association of Trailer Manufacturers
National Association of Truckstop Operators
National Association of Wholesaler-Distributors
National Community Pharmacists Association
National Cotton Council
National Council of Chain Restaurants
National Electrical Contractors Association
National Electrical Manufacturers Representatives Association
National Fastener Distributors Association
National Fisheries Institute
National Franchisee Association
National Marine Distributors Association
National Office Products Alliance
National Pawnbrokers Association
National Ready Mixed Concrete Association
National Restaurant Association
National Retail Federation
National Stone, Sand and Gravel Association
National Waste & Recycling Association
Nebraska Retail Federation
New Hampshire Retail Association
North American Association of Food Equipment Manufacturers
Office Furniture Dealers Alliance

Outdoor Power Equipment and Engine Service Association
The Payroll Group
Pet Industry Distributors Association
Petroleum Equipment Institute
Professional Beauty Association
Retail Association of Maine
Retail Bakers of America
Small Business Council of America
Small Business & Entrepreneurship Council
Small Business Legislative Council
Small Business Majority
Society of American Florists
Tire Industry Association
The Transportation Alliance
U.S. Chamber of Commerce
U.S. Travel Association
United Fresh Produce Association
Washington Retail Association
Wine & Spirits Wholesalers of America

cc: The Honorable Marco Rubio
The Honorable Ben Cardin
The Honorable Nydia Velazquez
The Honorable Steve Chabot