

Congress of the United States
House of Representatives
Washington, DC 20515

October XX, 2021

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard Neal
Chairman, Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi and Chairman Neal:

Thank you for your leadership and steadfast commitment to supporting America's small businesses throughout the COVID-19 pandemic. We appreciate all that you have done to ensure that our nation's small businesses can make rent, pay their employees, and keep their doors open.

As you know, Congress established the Employee Retention Tax Credit (ERTC) in Sec. 2301 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136). The ERTC originally allowed employers to claim a payroll tax credit of up to \$5,000 per employee for wages paid while closed or operating at reduced capacity due to the pandemic between March 13, 2020 and December 31, 2020.

The ERTC's refundable structure ensures that small businesses receive the benefit more quickly than income tax credits. In addition, the CARES Act instructs the Secretary of the Treasury to issue the credit in the form of an advance payment. Moreover, the ERTC is particularly beneficial to small businesses. While the CARES Act allowed larger firms to claim the credit for wages paid to employees who were not working because of the pandemic, firms with 100 or fewer full-time employees could claim it for all wages paid.

Congress subsequently expanded and extended the ERTC in the Consolidated Appropriations Act, 2021 (P.L. 116-260) and the American Rescue Plan Act of 2021 (P.L. 117-2). Taken together, these statutes raised the credit cap to \$7,000 per quarter paid between January 1, 2021 and December 31, 2021.

When Congress reauthorized the ERTC through the end of 2021 this past March, we acknowledged that far too many of our nation's small businesses are struggling to regain strong economic footing after an incredibly difficult year. These struggles are further compounded by the Delta variant, now the dominant strain of coronavirus across the United States, which spreads faster and causes more infections than earlier forms of the virus.

We have all heard from our constituents about the importance of the ERTC. For some small businessowners, it has been the difference between closing their firms and remaining open for business. As the House considers critically important legislation to make long-overdue investments in our nation's infrastructure and create a better future for ourselves and future generations of Americans, we ask that you ensure the ERTC remains in place for the remainder of this calendar year.

The credit has been a crucial lifeline for small businesses across the country, and countless small businessowners have already factored the credit into their financial plans for the first quarter of Fiscal Year 2022. To end the ERTC prematurely would not only jeopardize the earnings of the tens of millions of Americans employed by small businesses, but also pull the rug out from under small businessowners who expected, reasonably, that the credit would be available until the end of 2021.

Thank you for your commitment to America's small businesses and for your consideration of this request.

Sincerely,



ANTONIO DELGADO
Member of Congress



STEPHANIE MURPHY
Member of Congress