

December 3, 2020

The Honorable Nancy Pelosi

The Honorable Mitch McConnell

Additionally, the IRS recently issued Revenue Ruling 2020-27, stating that expenses funded through a PPP loan are not deductible for 2020 if “the taxpayer *reasonably expects to receive forgiveness of the covered loan* on the basis of the expenses it paid or accrued during the covered period, *even if the taxpayer has not submitted an application for forgiveness of the covered loan by the end of such taxable year*” [emphasis added].

Since the IRS issued Notice 2020-32, Congress has signaled that it intends to reverse the ruling. The Democratic and Republican Chairs of the House Ways and Means and Senate Finance Committees issued public statements saying that the IRS Notice, and, more recently, the IRS Revenue Ruling, is flawed and contrary to Congressional intent. In addition, a provision to overturn Notice 2020-32 was included in the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act that passed the House of Representatives in May.

The most recent IRS Revenue Ruling creates a renewed sense of urgency for Congress to address this pivotal issue before the end of the year. Allowing the IRS position to remain unchallenged will result in a significant tax increase on small business owners already suffering from the effects of COVID-19 shutdowns. This tax will hit small business owners *after* their PPP loan has already been spent, and just as many states are re-imposing mandatory closures of thousands of businesses in the face of spiking numbers of COVID-19 cases.

Many PPP loan recipients retained employees on their payrolls, even when there was little to no work to perform, in compliance with the intent of the program to keep people employed and off the unemployment rolls. The IRS changed the rules after businesses took out PPP loans, and business owners are now being asked to pay what amounts to a surtax on their workforce. Without Congressional action, businesses will face an unexpected tax bill when they file their taxes for 2020, as they continue to struggle with government mandated shutdowns or slowdowns. Many of those businesses will close and never re-open. This senseless tax policy stands both the letter and spirit of the PPP on its head.

For all these reasons, the undersigned business organizations urge

American Academy of Podiatric Practice Management  
American Apparel & Footwear Association (AAFA)  
American Association Of Advertising Agencies  
American Association of Orthopaedic Surgeons  
American Association of Neurological Surgeons  
American Bakers Association  
American Chiropractic Association  
American College of Gastroenterology  
American College of Osteopathic Family Physicians  
American Cotton Producers  
American Cotton Shippers Association  
American Council of Engineering Companies  
American Council of Independent Laboratories  
American Dental Association  
American Down and Feather Council  
American Farm Bureau Federation  
American Feed Industry Association  
American Horse Council  
American Institute of Architects (AIA)

Associated Equipment Distributors  
Association of Equipment Manufacturers  
Association of Fund-Raising Distributors and Suppliers  
Association of Marina Industries  
Association of the Wall and Ceiling Industry  
Atlantic Intracoastal Waterway Association  
Auto Care Association  
Brewers Association  
Building Service Contractors Association International  
Business Solutions Association  
CCIM Institute  
Cellulose Insulation Manufacturers Association  
Certified American Grown  
Chemical Fabrics and Film Association  
Coalition of Franchisee Associations  
Congress of Neurological Surgeons  
Convenience Distribution Association  
Cotton Growers Warehouse Association  
Cottonseed and Feed Association  
Council of Fashion Designers of America (CFDA[-5(830 Gn)]2 232.34(-0.9 0 612 792 reW\*nBTustomctions



National Beer Wholesalers Association  
National Candle Association  
National Cattlemen's Beef Association  
National Community Pharmacists Association  
National Confectioners Association  
National Cotton Council  
National Cotton Ginners Association  
National Cottonseed Products Association  
National Council of Agricultural Employers  
National Council of Chain Restaurants  
National Council of Farmer Cooperatives  
National Council of Textile Organizations  
National Demolition Association  
National Electrical Contractors Association  
National Electrical Manufacturers Representative Association (NEMRA)  
National Franchisee Association  
National Funeral Directors Association  
National Limousine Association  
National Lumber and Building Material Dealers Association  
National Marine Distributors Association  
National Marine Manufacturers Association  
National Mining Association  
National Multifamily Housing Council  
National Newspaper Association  
National Office Products Alliance  
National Onion Association  
National Pasta Association  
National Peach Council  
National Pecan Shellers Association  
National Potato Council  
National Propane Gas Association  
National Ready Mixed Concrete Association

North American Association of Food Equipment Manufacturers (NAFEM)  
North American Die Casting Association  
NTCA-The Rural Broadband Association  
Office Furniture Dealers Alliance  
Out of Home Advertising Association of America  
Outdoor Power Equipment and Engine Su90.00000912

The Transportation Alliance  
The Vinegar Institute  
The Wholesale Florist and Florist Supplier Association (WF&FSA)  
Tile Roofing Industry Alliance  
Tire Industry Association  
Travel Goods Association (TGA)  
Truck Renting and Leasing Association  
U.S. Apple Association  
U.S. Chamber of Commerce  
U.S. Superyacht Association  
United Fresh Produce Association  
United Veterinary Services Assoc.  
US Rice Producers Association  
USA Farmers  
Western Equipment Dealers Association  
Western Growers  
Wine & Spirits Wholesalers of America  
Wine Institute  
WineAmerica  
Winegrape Growers of America



Alabama Propane Gas Association  
Alabama Restaurant & Hospitality Alliance  
Central Alabama Chapter Independent Electrical Contractors  
Gulf Coast Chapter NECA

**Arkansas**

Arkansas Hospitality Association  
Arkansas Propane Gas Association

**Alaska**

Alaska CHRR  
Pacific Propane Gas Association

**Arizona**

Arizona Builders Alliance  
Arizona Chapter National Electrical Contractors Association  
Arizona Chapter of the Associated General Contractors of America  
Arizona Nursery Association  
Arizona Propane Gas Association  
Arizona Restaurant Association  
Southern Arizona National Electrical Contractors Association

**California**

ABC San Diego  
African-American Farmers of California  
Associated Builders and Contractors Central California Chapter  
Associated Builders and Contractors Northern California Chapter  
Associated Builders and Contractors Southern California Chapter  
Associated General Contractors of America, San Diego Chapter  
California Agricultural Irrigation Association  
California Alfalfa and Forage Association  
California Association of Wheat Growers  
California Bean Shippers Association  
California Cattlemen's Association  
California Cotton Ginners and Growers Association  
California Cut Flower Commission  
California Fresh Fruit Association  
California Grain & Feed Association  
California Landscape Contractors Association  
California Pork Producers Association  
California Restaurant Association  
California Seed Association  
California State Beekeepers Association

California State Floral Association

## **District of Columbia**

AGC of DC  
Associated Builders and Contractors of Metro Washington  
Restaurant Association of Metropolitan Washington

## **Delaware**

ABC Delaware  
~~DE Nursery & Landscape Association~~  
Delaware Contractors Association  
Delaware Restaurant Association  
Graphic Arts Association

## **Florida**

AGC Florida East Coast Chapter  
Central Florida Chapter Associated Builders and Contractors, Inc.  
Central Florida Chapter NECA  
Executives' Association of Greater Miami  
Florida Cattlemen's Association  
Florida Citrus Mutual  
Florida Nursery, Growers and Landscape Association  
Florida Podiatric Medical Association  
Florida Propane Gas Association  
Florida Restaurant & Lodging Association  
Independent Electrical Contractors Assoc-FECC  
Independent Electrical Contractors Florida West Coast Chapter  
Marine Industries Association of Palm Beach County, Inc.  
Marine Industry Association of Central Florida, Inc.  
Miami Marine Council  
North Florida Chapter NECA  
The South Florida AGC  
West Coast Florida Chapter NECA

## **Georgia**

Associated Builders and Contractors of Georgia, Inc.  
Atlanta Chapter, Independent Electrical Contractors, Inc.  
Georgia Green Industry Association  
Georgia

Independent Electrical Contractors, Georgia Chapter PHCC of GA  
Printing & Imaging Association of Georgia

### **Hawaii**

General Contractors Association of Hawaii  
General Contractors Labor Association of Hawaii  
Hawaii Cattlemen's Council  
Hawaii Restaurant Association  
Pacific Propane Gas Association  
Retail Merchants of Hawaii

### **Idaho**

Idaho Associated General Contractors  
Idaho Dairymen's Association  
Idaho Lodging & Restaurant Association  
Idaho Nursery and Landscape Association  
Idaho Podiatric Medical Association  
Idaho Potato Commission  
Idaho Retailers Association  
Rocky Mountain Propane Gas Association

### **Illinois**

Central Illinois Builders of AGC  
Central Illinois Chapter NECA  
Chicago & Cook County Chapter NECA  
Illinois Chapter, National Electrical Contractors Association  
Illinois Grape Growers and Vintners Alliance  
Illinois Green Industry Association  
Illinois Landscape Contractors Association  
Illinois Podiatric Medical Association  
Illinois Propane Gas Association  
Illinois Restaurant Association  
Midwest Independent Electrical Contractors (IEC) Association  
Northeastern Illinois Chapter, National Electrical Contractors Association  
SMACNA Greater Chicago

### **Indiana**

Associated Builders and Contractors of Indiana/Kentucky  
IEC Indy  
Indiana Beef Cattle Association

*Updated 12/15/20 as of 4:30 PM*





Massachusetts Nursery and Landscape Association  
Massachusetts Restaurant Association  
Northeast Erectors Association  
Northeast Millwrights Association  
Painting & Finishing Employers Association of New England  
Propane Gas Association of New England  
Retailers Association of MA  
Sheet Metal and Air Conditioning Contractors of Boston (SMACNA Boston)  
Western Massachusetts Chapter, National Electrical Contractors Association

**Michigan**

ABC Greater Michigan Chapter  
ABC Michigan  
AGC of Michigan  
Michigan Allied Poultry Industries  
Michigan Boating Industries Association  
Michigan Chapter, National Electrical Contractors Association  
Michigan Farm Bureau  
Michigan Podiatric Medical Association  
Michigan Propane Gas Association  
Michigan Restaurant Association  
Michigan Retailers Association  
Michigan State Horticultural Society

## **Missouri**

AGC of Missouri  
Associated Builders & Contractors, Inc. Heart of America Chapter  
IEC of Greater St. Louis  
Kansas City AGC  
Lake of the Ozarks Marine Dealers Association  
Missouri Propane Gas Association  
Missouri Restaurant Association  
Missouri Retailers Association  
Missouri Tire Industry Association  
National Electrical Contractors Association, St. Louis Chapter

## **Montana**

Montana Contractors Association  
Montana Nursery & Landscape Association  
Montana Podiatric Medical Association  
Montana Restaurant Association  
Montana Stockgrowers Association  
Rocky Mountain Propane Gas Association

## **Nebraska**

AGC-Nebraska Building Chapter  
National Electrical Contractors Association (Nebraska)  
Nebraska Cattlemen  
Nebraska Propane Gas Association  
Nebraska Restaurant Association

## **Nevada**

Associated Builders and Contractors, Nevada Chapter  
Nevada Propane Dealers Associations  
Nevada Restaurant Association  
Retail Association Of Nevada

## **New Hampshire**

Associated Builders & Contractors NH/VT Chapter  
Associated General Contractors of NH  
New Hampshire Lodging & Restaurant Association  
New Hampshire Podiatric Medical Association  
New Hampshire Retail Association  
Propane Gas Association of New England

## **New Jersey**



Graphic Arts Association  
New Jersey Landscape Contractors Association  
New Jersey Propane Gas Association  
New Jersey Restaurant Association  
Southern New Jersey Chapter of NECA

### **New Mexico**

AGC NEW MEXICO  
Associated Builders and Contractors New Mexico  
New Mexico Podiatric Medical Association  
New Mexico Propane Gas Association  
New Mexico Restaurant Association  
NM Retailers Association

### **New York**

Associated General Contractors of New York State  
Capital District SMACNA  
Finger Lakes NY Chapter NECA  
National Electrical Contractors Association-Hudson Valley Chapter  
New York Farm Bureau  
New York Electrical Contractors Association  
New York Propane Gas Association  
New York State Association of Plumbing, Heating, Cooling Contractors  
New York State Podiatric Medical Association  
New York State Restaurant Association  
New York State Vegetable Growers Association  
Northern NY Chapter NECA  
NY Wine Industry Association  
Twin Tier Sheet Metal Contractors Association

### **North Dakota**

Associated Builders and Contractors MN/ND  
Dakotas Chapter National Electrical Contractors Association NECA  
North Dakota Hospitality Association  
North Dakota Podiatric Medical Association  
North Dakota Propane Gas Association  
North Dakota Retail and Petroleum Marketers Association

### **North Carolina**

NC Foot & Ankle Society  
NC Nursery & Landscape Association  
North Carolina Cattlemen's Association

North Carolina Potato Association  
North Carolina Propane Gas Association  
North Carolina Restaurant & Lodging Association  
Printing Industry of the Carolinas, Inc.

### **Ohio**

ABC Central Ohio  
Boating Association of Ohio  
Central Ohio Chapter, NECA  
Graphic Media Alliance  
Greater Cleveland Chapter, National Electrical Contractors Association  
IEC Northern Ohio  
Lake Erie Marine Trades Association  
National Electrical Contractors Association, OH/MI Chapter  
NECA Cincinnati Chapter  
North Central Ohio Chapter, NECA  
Ohio Cattlemen's Association  
Ohio Landscape Association  
Ohio Propane Gas Association  
Ohio Restaurant Association  
Plumbing-Heating-Cooling Contractors of Ohio  
Southern Ohio Marine Trades Association  
Western Ohio Chapter NECA

### **Oklahoma**

ABC of Oklahoma  
IEC-OKC  
Oklahoma Cattlemen's Association  
Oklahoma NECA  
Oklahoma Propane Gas Association  
Oklahoma Restaurant Association  
Western Oklahoma NECA

### **Oregon**

ABC Pacific Northwest Chapter  
Oregon Association of Nurseries  
Oregon Cattlemen's Association  
Oregon-Columbia, NECA  
Oregon Dairy Farmers Association  
Oregon Essential Oil Growers League  
Oregon Pacific Cascade Chapter, NECA  
Oregon Podiatric Medical Association  
Oregon Restaurant Association



Memphis Chapter NECA  
Southern Cotton Ginners Association  
Tennessee Farm Winegrowers Alliance  
Tennessee Hospitality Association  
Tennessee Nursery & Landscape Association  
Tennessee Podiatric Medical Association  
Tennessee Propane Gas Association

**Texas**

AGC Houston  
Associated Builders & Contractors of Southeast Texas  
Associated Builders & Contractors of Texas Gulf Coast  
Associated Builders & Contractors, Inc, Texas Mid Coast Chapter  
Boating Trades Association of Texas  
CenTex Independent Electrical Contractors  
Central Texas Chapter NECA  
IEC Fort Worth/Tarrant County  
North Texas Chapter, NECA  
Panhandle of Texas Chapter - AGC  
Print & Imaging Association of MidAmerica  
Red River Valley Chapter NECA  
RGV Chapter of IEC

Associated Builders & Contractors NH/VT Chapter  
Propane Gas Association of New England  
Vermont Chamber of Commerce

### **Virginia**

IEC Chesapeake, Inc.  
Virginia Nursery & Landscape Association  
Virginia Podiatric Medical Association  
Virginia Propane Gas Association  
Virginia Restaurant Lodging & Travel Association  
Virginia Retail Federation

### **Washington**

Associated Builders and Contractors of Western Washington  
Inland Northwest AGC  
Pacific Propane Gas Association  
Washington Cattle Feeders Association  
Washington Cattlemen's Association  
Washington Restaurant Association  
Washington Retail Association  
Washington State Nursery & Landscape Association  
Washington State Podiatric Medical Association  
Washington State Potato Commission  
Washington Wine Institute  
Washington Winegrowers Association  
SMACNA Western Washington

### **West Virginia**

Contractors Association of West Virginia  
West Virginia Hospitality & Travel Association  
West Virginia Nursery & Landscape Association  
West Virginia Propane Gas Association  
West Virginia - Ohio Valley Chapter NECA

### **Wisconsin**

Associated Builders and Contractors of Wisconsin Inc.  
Associated General Contractors of Greater Milwaukee  
SMACNA East Central WI  
SMACCA – Milwaukee  
SMACNA Southeast Wisconsin  
SMACNA Wisconsin  
Wisconsin Grocers Association  
Wisconsin Landscape Contractors Association - Waukesha, WI

Wisconsin Marine Association  
Wisconsin Potato & Vegetable Growers Association  
Wisconsin Propane Gas Association  
Wisconsin Restaurant Association

**Wyoming**

Rocky Mountain Propane Gas Association  
Wyoming Chapter NECA  
Wyoming Lodging & Restaurant Association  
Wyoming Stock Growers Association