

October 29, 2021

The Honorable Janet Yellen
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

RE: Employee Retention Tax Credit Availability, Fourth Quarter, 2021

Dear Secretary Yellen and Commissioner Rettig:

We are writing to make you aware of an impending issue of urgent concern to Covid-impacted businesses. Small businesses across the country are relying on the Employee Retention Tax Credit (ERTC) expansion passed with the American Rescue Plan Act of 2021 in March of 2021 which provided the enhanced ERTC through December 31, 2021.

As passed by the Senate, the Infrastructure Investment and Jobs Act (IIJA) terminates the ERTC three months early making wages paid after September 30, 2021, ineligible for the credit. Not only have many businesses developed their financial forecasting with the anticipation for the employee retention credits through the end of December 31, 2021, but now that we are in the fourth quarter, they are utilizing the ERTC. If the Infrastructure Investment and Jobs Act claws back the fourth quarter, it will essentially result in an unanticipated tax increase for these struggling businesses.

Should the ERTC be eliminated in the fourth quarter, through passage of the infrastructure bill, how will the IRS treat the historic advance withholding from (past) payroll tax deposits? If passed, will it make the business entity indebted to the IRS including potential penalties and late fees?

With the rise of the COVID-19 delta variant, many small businesses are depending on these previously promised funds for survival and their employees' jobs are at-risk. The need for cash is readily apparent in our industries as more and more businesses continue to struggle. The ERTC is one of the few financial safety nets available to small businesses during the pandemic and has enabled America's employers to keep employees on the payroll, so relief from the claw back in the IIJA is critical to our industries and clarity on its treatment should Congress enact the IIJA is essential to ensure businesses can maintain their workforce through the end of the year.

Should you have any questions, please feel free to contact Robert Jackson with the National Automatic Merchandising Association (NAMA) at rjackson@namanow.org.

Sincerley,



ANGEL CAPITAL ASSOCIATION

ACA is a collective of accredited angel investors, world's most prolific early-stage investment class. The association is the largest angel professional development organization in the world. ACA provides an insider perspective that can help you make smart investment decisions.



DRYCLEANING & LAUNDRY INSTITUTE INTERNATIONAL

Founded in 1883, the Drycleaning & Laundry Institute exists to help thousands of American member drycleaning and laundry business owners learn, work together, and succeed. DLI provides advocacy, education, research, and business forums for its members.



Newly founded in 2021, Elite Catering & Event Professionals (ECEP) is a collaborative network of leading catering, hospitality and food service companies, with members based throughout the United States. ECEP brings together diversified, resilient businesses and their innovative, resourceful leaders in the catering, live events and food service industries, representing more than \$574 million in annual revenue, and employing tens of thousands of workers domestically. With shared purpose and a unified voice, ECEP members are focused on industry education, research and advocacy.



IAAPA is the global association for the attractions industry representing the leading owners, operators, suppliers, manufacturers, and consultants from more than 100 countries. Our members include professionals from amusement parks, theme parks, attractions, water parks, resorts, family entertainment centers, zoos, aquariums, science centers, museums, and cruise lines.



The mission of IHRSA, The Global Health & Fitness Association, is to grow, protect, and promote the health and fitness industry, and to provide its members with the benefits that will help them be more successful. IHRSA and its members (health clubs and fitness facilities, gyms, spas, sports clubs, and industry partners) are dedicated to make the world healthier through regular exercise.



The International Inbound Travel Association is the nonprofit trade association for the \$230 billion USA inbound travel industry. IITA members include U.S. inbound operators who create and facilitate inbound travel, and their partners DMOs, travel suppliers and industry service providers from across the country.



Founded in 1936, NAMA represents the \$31 billion United States convenience services industry, with its core membership being comprised of owners and operators of vending machines, micro markets, office coffee/tea/water, and pantry services providers. With nearly 1,000-member companies – including many of the world’s most recognized brands – NAMA provides advocacy, education, research, and business forums for its membership. www.namanow.org



Founded in 1951, the National Tour Association is a global association of packaged-travel professionals who serve groups and individuals traveling to, from, and within North America. NTA provides education, advocacy, and business-building opportunities—in-person and online—for its members: tour operators, travel agents, and representatives of the places and experiences that make memorable itineraries. For more information, visit NTAonline.com.



OABA represents some 2,500 members, 200 carnivals, 15 circuses and hundreds of traveling food/game concessionaires in the United States. The vast majority of our members are small, family businesses, many in their second and third generation of ownership. They rely heavily on seasonal labor to supplement their full-time staff and to ensure that their operations run smoothly and professionally during their busy months.



Bringing Together Independent Success

The Payroll Group (TPG) is the largest group of independent payroll providers and human resource professionals in the United States. TPG members work with American small and medium sized businesses to meet their payroll and benefit needs.



SYTA is the non-profit, professional trade association that promotes student & youth travel and seeks to foster integrity and professionalism among student and youth travel service providers. SYTA members travel more than 3 million students a year with 75% in the United States. SYTA Youth Foundation provides scholarships and education for students and youth who cannot afford the cost of travel.



USTOA is a professional, voluntary trade association created with the primary purpose of promoting integrity within the tour operator industry. USTOA was founded in 1972 by a small group of California tour operators concerned about tour operator bankruptcies. These founding members recognized the need for a unified voice to protect the traveling public, as well as to represent the interests of tour operators. In 1975, USTOA became a national organization with its headquarters in New York. Today, USTOA Active members represent some of the top names in travel and tourism, and account for a sizeable portion of the tour operator market in North America.