

United States Senate

WASHINGTON, DC 20510

February 26, 2021

The Honorable Charles E. Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Leader Schumer and Leader McConnell:

We write to urge you to improve access to the Employee Retention Tax Credit (ERTC) for severely impacted industries in the next COVID-19 relief package. Through a narrow expansion of the ERTC tailored to the hardest-hit businesses with major revenue losses, Congress can provide urgently needed assistance that would help these employers keep workers on payroll through the economic recovery from COVID-19.

Currently, employers can receive advance payments of the ERTC to cover 70 percent of eligible wages and health plan expenses, which are limited to \$10,000 per employee per quarter. However, employers with more than 500 employees can only claim the ERTC for compensation provided to furloughed employees who are paid but not working.

This rule significantly limits the support that the ERTC can provide the hardest-hit businesses, such as those in the live entertainment and performing arts industries. Moreover, due to the size of their workforces and scope of their operations, many businesses in these industries have been unable to access other forms of federal economic assistance during COVID-19.

In order to support workers and businesses in severely impacted industries, we urge you to improve the ERTC by allowing employers with revenue losses of at least 85 percent to claim the credit for all employees, regardless of whether the employees are furloughed or performing duties.

We thank you for your attention to this urgent issue.


Sincerely,



Margaret Wood Hassan
United States Senator



Jerry Moran
United States Senator



Catherine Cortez Masto
United States Senator



Kevin Cramer
United States Senator



Kyrsten Sinema
United States Senator



Raphael Warnock
United States Senator



Mark R. Warner
United States Senator



Jacky Rosen
United States Senator



Mark Kelly
United States Senator