



March 18, 2020

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
Washington, D.C. 20510

The Honorable Charles Schumer  
Minority Leader  
U.S. Senate  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
Speaker, U.S. House of Representatives  
H-232, the U.S. Capitol  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Republican Leader, U.S. House of Representatives  
H-204, the U.S. Capitol  
Washington, D.C. 20515

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi, Republican Leader McCarthy:

On behalf of the organizations representing this nation's 30 million small businesses we write you today with urgent requests in response to the growing coronavirus pandemic and ensuing public health emergency. As Congress considers a stimulus package similar to during the Great Recession, we hope that small businesses will remain at the forefront of policymakers' minds, as we are the first to feel the impact and often the last to recover.

In this current environment, our small businesses are facing unprecedented challenges, and as their voice in Washington, we are urging inclusion in any financial stimulus package the following:

**Provide Direct Financial Assistance to America's Job Creators**

For businesses with demonstrated losses that are struggling to stay afloat, and to support themselves and their employees, the Small Business Administration (SBA) should make available grants that get cash and liquidity to small businesses immediately. This effort should be in addition to the numerous lending policy options discussed below and Small Business Roundtable fully supports existing SBA lending programs as part of the response package.

These funds could be used to address costs as identified in Economic Injury Disaster Loan (EIDL) program as well as cost of lost business, paid sick leave, healthcare costs and fixed expenses.

In addition, given that so many business owners self-fund using personal capital, we urge consideration of deferred mortgage payments, credit card payments and the alleviation of interest payments on outstanding debt, including student loans.

### **Make Capital as Accessible as Possible, as Fast as Possible, and as Cheap as Possible**

In addition to the direct financial assistance, the government should move swiftly to increase the lending capabilities of both government and non-government lenders. Immediate actions that could be temporarily put in place:

- Increase EIDL caps to ensure they can cover costs incurred by businesses
- Ensure speedy loan deployment from government agencies, including EIDL loans under \$350,000, to get capital to business owners as fast as possible
- Remove barriers to non-governmental deployment of capital
- For a limited period, allow SBA or Treasury to directly pay the loan costs (interest, fees) for any SBA loan products
- Pull all proven levers from past crises:
  - Increase guarantees to SBA lenders
  - Strengthen Microloan Program and ensure adequate resources to support smallest businesses
  - Consider legislative support for Intermediary Lending Program and Community Advantage programs

If the most expeditious way to deploy capital is a new fund, we support SBA directly supplying interest-free loans to small businesses being impacted by COVID-19. Small businesses would be able to use the loans to provide employee benefits, pay wages, pay taxes, make telework arrangements, pay rent, refinance existing debt, and more.

### **Ensure Businesses Have Experts to Talk To**

In past crises, businesses have proved resilient when receiving capital and technical assistance. For decades, SBA and Community Development Fund Institution (CDFI) programs and partners have been trusted community leaders in difficult times. We support:

- Providing additional funding to CDFIs and ensuring small business elements of the fund gets directed appropriations
- Provide immediate support to SBA resource partners
- Allow for additional community organization to apply for grants from SBA to provide information related to COVID-19

### **Leverage Tax Code to Provide Immediate Liquidity**

A top priority of small businesses is immediate cash and liquidity. Leveraging the tax code can be the fastest way to support small businesses:

- Delay 2020 tax returns and waive all penalties for 2020
- Address the Qualified Improvement Property (QIP) drafting error that would inject money to restaurant and retail impacted by this crisis
- Temporary payroll tax cut for employer and employee
- Refund 2019 payroll taxes for employers
- Fix the Section 199A tax parity to allow for all businesses to qualify for 20% deduction

- Allow for distributions from retirement accounts to avoid all penalties if used in response to COVID-19 and related economic injury

### **Keep Government Contracts with Small Businesses**

As a buyer, the government can provide enormous support to businesses through maintaining contracting opportunities. As such, Congress should consider policies with the Administration that:

- Immediately extend all small business contracts for 90 days
- Add six months of eligibility to the SBA 8(a) program
- Increase dollar caps on current programs for set-asides
- Waive certain contracting requirements to push out new contracts
- Allow contract extensions for businesses impacted by supply chain delays

### **Incentivize Supply Chain Continuation from Major Companies**

Many businesses count America's largest companies as their customer base. These major companies should be encouraged to keep their small businesses and supply chain active to ensure a swift recovery. As such, we support creating a tax credit for companies that meet or exceed 2019 small business contracting in 2020.

### **Exempt America's Smallest Businesses from Any New Liabilities**

Congress is considering a wide range of policies to respond to this public health emergency. While many of these ideas are important parts of the national response to COVID-19, new liabilities to business owners at this time of massively decreased revenue could do immediate damage. As such, we ask Congress to be thoughtful in exempting small businesses from these new requirements.

Similarly, businesses are very concerned about the determination of essential businesses. We support business closures done in the interest of national health, but the fastest return to normalcy will be when small businesses can conduct business. Should a federal determination of essential businesses be established, we urge consultation with national small business organizations.

### **Ensure the Self Employed are Included in Recovery**

The self-employed are not eligible for unemployment protection. The federal government should immediately fund an unemployment protection fund for the self-employed and gig workers, which would allow them to draw down benefits in the event of declining income due to decreased demand for their goods or services.

Similarly, in all policy considerations we ask Congress to understand that there is no one-size-fits-all approach to our community. We are ready to assist in determining what thresholds or tiers make the most sense for individual policies.

### **Include Tax-Exempt Organizations in Aid Packages**

Small businesses are supported by thousands of organizations that are similarly struggling during this crisis. From chambers of commerce to entrepreneurial development organization, they should be included in aid packages.

Please do not hesitate to reach out with and questions related to this letter or policies considered during response to this crisis. These are only a few of the options that could be leveraged to support America's small businesses. Please reach out to John Stanford at [john@smallbusinessroundtable.org](mailto:john@smallbusinessroundtable.org) to facilitate conversations with any of the signatories below.

Thank you to Members of Congress and their staffs in developing strong policy at such a challenging time.

Sincerely,

Asian/Pacific Islander American Chamber of Commerce & Entrepreneurship (National ACE)  
Association for Enterprise Opportunity  
Association of Women's Business Centers  
Disability:In  
Latino Business Action Network  
National Association for the Self-Employed  
National Association of Women Business Owners  
National Small Business Association  
Small Business & Entrepreneurship Council  
United States Black Chambers, Inc.  
United States Hispanic Chamber of Commerce

cc:

The Honorable Mike Pence, Vice President of the United States  
The Honorable Steve Mnuchin, Secretary, Department of Treasury  
Larry Kudlow, Director, National Economic Council, White House  
The Honorable Jovita Carranza, Administrator, Small Business Administration  
The Honorable Marco Rubio, Chairman, Senate Committee on Small Business and Entrepreneurship  
The Honorable Ben Cardin, Ranking Member, Senate Committee on Small Business and Entrepreneurship  
The Honorable Nydia Velazquez, Chair, House Committee on Small Business  
The Honorable Steve Chabot, Ranking Member, House Committee on Small Business  
Members, United States Senate  
Members, United States House of Representatives