

November 7, 2022

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

Dear Commissioner Rettig,

We write to you regarding the Internal Revenue Service's (IRS) management of the Employee Retention Tax Credit (ERTC). As you know, the ERTC was initially included in the CARES Act and was subsequently expanded to encourage employers to keep employees on payroll during the COVID-19 pandemic. Per IRS guidance, ERTC-eligible employers that did not initially claim ERTC funds on their Form 941, as well as employers seeking to modify prior claims, are required to file Form 941-X.

We understand that there have been significant delays in the disbursement of ERTC funds. Some of the employers we represent who filed Form 941-X have had to wait as long as eleven months to access their ERTC funds. Our members' experiences support the findings of a Treasury Inspector General for Tax Administration (TIGTA) audit report published on August 31, 2022 regarding the IRS's administration of COVID-19 tax relief. The report found that "ongoing and considerable delays in the processing of amended Forms 941 filed by businesses resulted in businesses not timely receiving the immediate financial relief for which this legislation was enacted." The report cites a "lack of updated programming and procedural guidance, lack of training, erroneously suspended claims, and a lack of necessary prioritization of claims" as the primary causes for the delay. As of August 31st, the IRS had a backlog of 207,000 unprocessed Form 941-Xs.

The IRS's ERTC processing delays have produced financial hardship for countless small businesses, nonprofit organizations, and their employees. With most recipients having long since expended their Paycheck Protection Program (PPP) loans, our employers have depended on the ERTC as one of the few pandemic-related financial support programs. Unfortunately, the IRS's languid implementation of the ERTC undermines the ERTC's purpose to function as an immediate form of financial relief.

We look forward to identifying ways that we can work together with you and the IRS to ensure that America's businesses and nonprofits get timely access to the ERTC credit which was promised to them by Congress.

Sincerely,

National Automatic Merchandising Association (NAMA)
American Bus Association
American Council of Engineering Companies
American Society of Association Executives
American Society of Travel Advisors (ASTA)
Argentum
Asian American Hotel Owners Association (AAHOA)

Brilliant Edventures
Custom Holidays
Dance/USA
Drycleaning & Laundry Institute
Ed-Ventures, inc.
Exhibitions & Conferences Alliance
Experiential Designers & Producers Association
Free Spirit Vacations
Girl Scouts of the USA
IAAPA, The Global Association for the Attractions
Industry
IHRSA
Independent Sector
International Franchise Association
International Inbound Travel Association
Julian Tours
League of American Orchestras
Los Angeles Maritime Institute
National Association of Theatre Owners
National Council of Nonprofits
National Federation of Independent Business (NFIB)
National Newspaper Association
National Tour Association
Northeast Unlimited Tours, Inc.
OPERA America
Professional Nonprofit Theater Coalition
SignaTours, Ltd.
Sports Leisure Vacations
Sports Travel and Tours
The Group Tour Company
Theatre Communications Group
United States Tour Operators Association
YMCA of the USA