

Congress of the United States
Washington, DC 20515

July 28, 2020

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

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

Speaker Pelosi and Leader McCarthy,

Congress has taken unprecedented bipartisan action to assist American families and businesses during the COVID-19 pandemic. A hallmark of this response is the Paycheck Protection Program (PPP), which has assisted small businesses in providing paychecks for their employees and kept their lights on during the pandemic.

In June, Congress took further bipartisan action by passing H.R. 7010, the *Paycheck Protection Program Flexibility Act of 2020*, to provide small business owners additional discretion on how they spend their forgivable loans under the PPP. A key aspect of this legislation was relaxing the amount of the loan required to be spent on payroll from 75% to 60% – allowing businesses to use up to 40% of their PPP funds on forgiven expenses such as rent, utilities, and interest on certain debt.

However, contrary to Congressional intent, the IRS issued guidance prohibiting companies from taking tax deductions for these expenses. To reverse this flawed rulemaking, Congress must ensure small businesses can maximize their PPP dollars. We can do so by passing legislation like H.R. 6884, the *FIRST Act*, which will allow businesses to deduct forgiven expenses paid with PPP funds.

As the House continues to discuss another round of legislation to support our constituents during the COVID-19 pandemic, we must address this important matter and reassert Congressional intent of the PPP. We respectfully request the inclusion of legislation like the *FIRST Act* in any further COVID-19 relief package.

Sincerely,


Dan Newhouse
Member of Congress

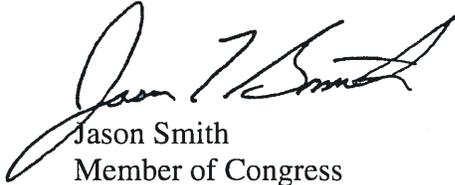

Dean Phillips
Member of Congress



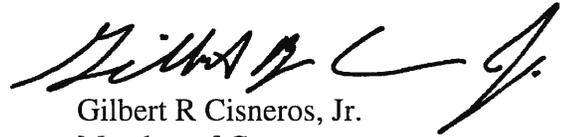
Brian Fitzpatrick
Member of Congress



Jim Costa
Member of Congress



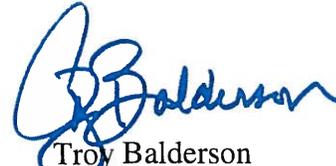
Jason Smith
Member of Congress



Gilbert R Cisneros, Jr.
Member of Congress



Cathy McMorris Rodgers
Member of Congress



Troy Balderson
Member of Congress



Anthony Gonzalez
Member of Congress



Brian Mast
Member of Congress



Rick Allen
Member of Congress



Rick Crawford
Member of Congress



Billy Long
Member of Congress



Dan Meuser
Member of Congress



Bill Johnson
Member of Congress