



March 21, 2020

The Honorable Mitch McConnell  
U.S. Capitol Building, S-230  
Washington, D.C. 20510

The Honorable Chuck Schumer  
313 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
U.S. Capitol Building, H-204  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
U.S. Capitol Building, H-204  
Washington, D.C. 20515

Dear Leader McConnell, Speaker Pelosi, Leader Schumer, and Leader McCarthy:

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, we write urging you to retain and enhance the existing individual and business tax relief provisions in the Phase 3 legislative package. This is a challenge unlike any our nation has seen before, and businesses large and small require immediate relief from Congress if they are to weather this unprecedented economic storm.

Yesterday, we wrote to you about several tax provisions we believe would strengthen the Phase 3 bill and help both individuals and businesses. They include:

- **Delaying quarterly estimated tax payments:** While the Treasury Department has wisely provided taxpayers with some relief from tax filing and tax payment burdens until July 15th, Congress should expand Treasury's guidance. Currently, Quarter 2 estimated tax payments are not delayed, meaning that they are still due on June 15th. Delaying estimated tax payments until October would provide businesses with essential liquidity at this time. Additionally, any delay of estimated payments should be expanded to include employer-side payroll tax contributions.
- **Expanding net operating losses (NOLs) for 2020:** The Tax Cuts and Jobs Act capped NOLs to 80 percent of taxable income in any one tax year and eliminated the ability to carry losses back. It also limited NOLs for pass-through businesses to \$250,000 or \$500,000, depending on filing status. In order to provide businesses with much-needed liquidity during these difficult times, for the 2020 tax year, NOL limits should be suspended for both C corporations and pass-through businesses. Further, "carrybacks" for at least two years, up to five years, should be allowed.
- **Allowing for expensing of structures:** Supporting new investment is also key. To accomplish this, accelerating depreciation deductions for capital investments in residential and nonresidential property would be a great step forward, particularly to support economic recovery. Limiting to new buildings or substantial improvements is a reasonable approach to contain the cost or even adopting neutral cost recovery would be a worthwhile win for the U.S. economy.

We believe these additions, and the existing tax relief provisions already included in Phase 3, are absolutely essential to rescuing a fragile economy at this time. Should you have any questions or wish to discuss this further, we are at your service.

Sincerely,

Brandon Arnold  
Executive Vice President

Andrew Lautz  
Policy and Government Affairs Manager