



**To:** Members of the House Committee on Small Business

**From:** National Taxpayers Union

**Date:** February 10, 2021

**Subject:** Taxpayer considerations and amendment proposals for the Committee's reconciliation bill

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## **I. Introduction and Key Taxpayer Considerations for the Reconciliation Bill**

National Taxpayers Union (NTU) is the nation's oldest taxpayer advocacy organization. Given the Committee's reconciliation bill includes proposals that would deeply impact taxpayers and the federal budget, we wish to share some of our topline considerations for taxpayers regarding this bill. They are:

- **Restaurant Revitalization Fund** - While the restaurant industry has been significantly impacted by COVID-19, industry-specific relief during a national pandemic that has affected the vast majority of businesses would put other industries at a disadvantage.
- **Additional \$7.25 Billion for PPP** - While NTU has supported funding for the Paycheck Protection Program (PPP) in the past, the SBA has only allocated a [quarter](#) of the recently appropriated additional funds to PPP. Billions more in PPP funding is premature at this point.

Notwithstanding the concerns outlined above, there are provisions in this legislation worth supporting, either on their own or with modifications. They are:

- Expanding the access to PPP by striking SBA's affiliation rule to non-profits in the CARES Act.
- Targeting Economic Injury Disaster Loans (EIDL) Advance program to businesses that are "severely" or "substantially" impacted by COVID-19.
- The Community Navigator Program has a well-intentioned goal of expanding the [discrepancy](#) in accessibility for loans for non-white and women-owned businesses. However, the topline figures and the creation of a pilot program when similar programs already exist are concerning.

## II. Amendments That Could Improve the Committee's Reconciliation Bill

Though we believe that several proposals in this reconciliation bill should not be advanced by the Committee under any circumstances, we hope to offer constructive amendment ideas that would, on net, improve the bill. They are:

- Strike the provision providing \$7.25 billion in additional funding for PPP or, at a minimum, direct any unspent PPP funds to be applied to deficit reduction at the end of the fiscal year.
- Strike the Restaurant Revitalization Fund and instead ensure that restaurants have access to PPP funds, including second-draw loans.
- Strike the \$1.25 billion for SBA Shuttered Venue Operators Grant Program -- assistance for these businesses should be provided through PPP.
- Strike the provision allowing PPP to be distributed to restaurants that have not opened yet.
- Add provisions providing for the robust collection of information on businesses that receive PPP loans, and make sure a bare minimum amount of information is accessible to lawmakers and taxpayers for proper oversight of the program.

## III. NTU's Thinking on the Combined Reconciliation Package

As the authorizing committees in Congress work on separate reconciliation bills, NTU wishes to inform Members and their staff that we have several significant concerns with the current framework of the overall, combined reconciliation effort. This proposed legislation would add \$1.9 trillion the national debt without meaningful offsets and includes several major initiatives that do not adhere to the narrow, targeted approach NTU has advocated for since the summer. Additional proposals may do active harm to the country's economic recovery efforts in the years ahead.

If the combined reconciliation bill came to the House or Senate floor today without significant improvements, we would advise Members to vote "**NO**" on the legislation. The bill will be **heavily weighted** in NTU's annual rating of Congress.

## IV. Contact Information

Should you have any questions about the recommendations in this memo, please do not hesitate to reach out to Will Yepez at [wyepez@ntu.org](mailto:wyepez@ntu.org).