

April 5, 2022

NTU urges all Representatives to vote "NO" on H.R. 3807, the Relief for Restaurants and other Hard Hit Small Businesses Act of 2022. This legislation would send \$42 billion in taxpayer dollars to business owners for just one industry of the American economy, and an additional \$13 billion in taxpayer dollars to a "Hard Hit Industries" program that could become a slush fund for industries in good political favor with federal regulators. At this stage of the pandemic and economic recovery, there is little justification for delivering tens of billions of deficit-financed – and ultimately taxpayer-funded – dollars to businesses. Should Congress need to enact more urgent spending legislation associated with the pandemic, lawmakers should fully offset the cost with spending reductions elsewhere.

Some industries and sectors of the American economy have no doubt been hit hard by the public health and economic impacts of the COVID-19 pandemic, just as some large and small businesses have fared well over the past two years. However, at a time when U.S. COVID-19 cases are <u>low</u> relative to other waves of the pandemic, and when the U.S. unemployment rate is near its post-Great Recession, pre-pandemic <u>low</u>, it makes little sense to commit \$55 billion to restaurants and other "hard-hit industries." These dollars will be financed by higher deficits today, and taxpayers will ultimately need to cover the bill in the long run.

In January, NTU and other advocates for fiscal responsibility shared our <u>concerns</u> with a proposed \$68 billion stimulus bill that is similar to the legislation the House is considering this week. We wrote that we "do not dispute that some businesses and industries are struggling more than others, but [efforts] to set up multiple industry-specific funds would amount to the government picking winners and losers with taxpayer dollars – all at a time when the data suggest the American economy is slowly improving." This statement remains true today, and we believe that the funding in H.R. 3807 would also amount to the government picking winners and losers in the U.S. economy.

To the extent that more urgent and necessary funding is needed to combat COVID-19 public health needs, Congress should fully offset any additional funding with spending reductions elsewhere. Unfortunately, H.R. 3807 does not appear to be fully offset, and lawmakers should reject the legislation.

Roll call votes on H.R. 3807 will be included in NTU's annual Rating of Congress and a "NO" vote will be considered the pro-taxpayer position.

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