



May 7, 2020

The Honorable Mitch McConnell
U.S. Senate Majority Leader
Washington, D.C. 20515

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, D.C. 20515

The Honorable Charles Schumer
U.S. Senate Minority Leader
Washington, D.C. 20515

The Honorable Kevin McCarthy
House of Representatives Minority Leader
Washington, D.C. 20515

Dear Congressional Leadership:

America's small businesses are among the hardest hit by the pandemic. As an organization of small business owners and entrepreneurs representing over 500,000 members, we are thankful for the relief Congress and the Trump Administration extended to small businesses through the Paycheck Protection Program. To-date more than 3.8 million of these small businesses have received a lifeline. As a result, tens of millions of jobs have been saved.

The PPP was designed to keep employees paid and provide a bridge back to prosperity for small businesses. But more needs to be done. While the number one priority right now is to safely allow businesses to reopen and get the economy running again, lawmakers need to move away from government spending and focus on stimulative measures like a payroll tax cut to help them recover.

A targeted and temporary suspension of payroll taxes for small businesses (including for employees) with fewer than 100 workers would help speed-up recovery and stimulate growth. The policy will help small business owners retain more employees and rebound from the pandemic. Independent franchise businesses with under 100 workers per location should also be included. These operations are de facto small businesses that are responsible for more than eight million jobs.

Suspending payroll taxes for the remainder of 2020 will help employers and employees alike. Payroll taxes usually divert 15 percent of every paycheck to the government; half is paid by the employer and the other half is paid by the employee. Waving the collection equates to a tax cut for small businesses and a raise for workers. Independent contractors, which usually pay both sides of the payroll tax, would receive a 15 percent raise.

A targeted payroll tax cut such as this would benefit approximately 98 percent of all small businesses in the country and 40 million of their employees. It kills two birds with one stone: helps small businesses remain afloat and promotes consumer spending that will fuel a robust economic recovery.

Suspending payroll taxes for the remainder of 2020 for businesses with fewer than 100 employees is a fiscally responsible, surgical strategy to help the economy rebound from the pandemic. I hope Congress will consider the recommendation. America's small business community hangs in the balance.

I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink that reads 'Alfredo Ortiz'.

Alfredo Ortiz
President & CEO
Job Creators Network