

September 21, 2023

The Honorable Janet Yellen
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Danny Werfel
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

RE: Employee Retention Tax Credit Availability

Dear Secretary Yellen and Commissioner Werfel:

The undersigned organizations are invested in the welfare of employers, employees, and the integrity of our tax system. We appreciate the efforts of the Internal Revenue Service (IRS) and the Department of the Treasury to administer the Employee Retention Tax Credit (ERTC) program during the COVID-19 pandemic. However, considering recent developments, we would like to raise some concerns regarding the ERTC, as detailed below.

The ERTC has been a crucial lifeline for employers affected by the pandemic. It has been pivotal in preserving jobs and supporting economic recovery. However, the recent announcement by the IRS to suspend new ERTC claims for the rest of 2023¹ is a major concern for our collective members.

The fraud related to the Employee Retention Tax Credit program is a serious issue. We acknowledge that the IRS has paused the program to combat this fraud. We share your desire to prevent any fraud or abuse in this program. However, employers are relying on timely access to this credit to maintain their workforce and operations. We believe it is paramount for the IRS to find a way to continue processing ERTC claims while managing the threat of illegitimate or fraudulent claims.

Many of our members are concerned about what will happen to pending legitimate ERTC applications while the program is paused. Deserving employers may face insurmountable delays when the program restarts, impacting their ability to keep their doors open. We encourage you to provide further clarity to applicants to ensure that legitimate employers can access their credit in a timely manner.

We encourage the IRS and Treasury Department to enhance the program's efficiency, reduce fraud, and provide further assistance to eligible employers. We support the actions necessary to accomplish this while ensuring the ERTC program remains available to employers with legitimate claims.

Sincerely,

¹ <https://www.irs.gov/newsroom/to-protect-taxpayers-from-scams-irs-orders-immediate-stop-to-new-employee-retention-credit-processing-amid-surge-of-questionable-claims-concerns-from-tax-pros>

National Automatic Merchandising Association (NAMA)

American Society of Association Executives

American Society of Travel Advisors (ASTA)

Associated Builders and Contractors

Associated General Contractors of America

Elite Catering & Event Professionals (ECEP)

IHRSA—The Health & Fitness Association

International Franchise Association

International Inbound Travel Association

Live Events Coalition

Payroll.Org

The Payroll Group