

UPDATED: Bipartisan Letter - Make State and Local Governments Eligible For Emergency Paid Leave Payroll Tax Credits

Budget

From: TJ COX

Sent By: John.Lynch@mail.house.gov

Date: Wednesday, April 8, 2020

Request for Signature(s)

Complete This Form To Sign On

Deadline: Friday, 4/10/20 COB

Current Cosigners (18): TJ Cox, John Katko, Bradley S. Schneider, Diana DeGette, Eleanor Holmes Norton, Brian Fitzpatrick, Eric Swalwell, Harley Rouda, Grace F. Napolitano, Earl Blumenauer, Julia Brownley, Doris O. Matsui, Thomas R. Suozzi, Dwight Evans, Jahana Hayes, Ted W. Lieu, Adam Smith, Tony C´rdenas.

Endorsing Organizations: National League of Cities, American Society of Civil Engineers, National Association of Counties, Association for Public and Land-Grant Universities, International City/County Management Association, National

Conference of State Legislatures, California Association of Sanitation Agencies, Government Finance Officers Association, National School Boards Association, National Association of Clean Water Agencies.

Dear Colleague,

We ask you to join us in sending a bipartisan letter urging House and Senate Leadership to support state and local governments by making them eligible for emergency paid family and sick leave payroll tax credits. Public employees are eligible for the emergency paid family and sick leave programs, but the Families First Coronavirus Response Act excluded public employers from these tax credits, while making them available to private sector employers.

Emergency paid leave for employees is a large expense at a time when state and local governments are already strained by reduced tax revenues due to the economic crisis caused by COVID-19. Without these tax credits, severe costs will undermine the ability of localities to provide the critical services necessary for a successful COVID-19 response.

Please join us in urging leadership to include this important fix in the next stimulus package. Text of the letter is below. Legislation to follow.

Sincerely,

TJ COX

Member of Congress

JOHN KATKO

Member of Congress

BRADLEY S. SCHNEIDER

Member of Congress

DIANA DeGETTE

Member of Congress

----- Attachment -----

LETTER TEXT:

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

As Congress continues to work on economic stimulus legislation in response to the COVID-19 pandemic, we ask that you restore parity between the private and public sector when it comes to eligibility for tax credits to mitigate the costs of emergency paid leave provisions included in the Families First Coronavirus Response Act.

State and local governments are on the front lines in responding to this epidemic and coping with its punitive impacts. We strongly support provisions that provide emergency paid leave for employees, and tax credits allowing employers to recoup these costs. However, subsection (e)(4) of Section 7001 and subsection (e)(4) of Section 7003 exempt public employers from these tax credits despite their employees being eligible for emergency paid leave. This amounts to an unfunded federal mandate for state and local governments and should be amended. We respectfully request that you include this fix in subsequent COVID-19 economic stimulus legislation. Without it, these severe costs will undermine the ability of state and local governments to provide the critical public services necessary in the nation's COVID-19 response.

We appreciate your leadership as Congress continues to respond to the economic fallout from this pandemic. Thank you for your attention to this request.

Sincerely,

Related Legislative Issues

Selected legislative information: Budget, Economy, Finance, Labor, Taxes

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