

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

NEIL L. BRADLEY
EXECUTIVE VICE PRESIDENT &
CHIEF POLICY OFFICER

1615 H STREET, NW
WASHINGTON, DC 20062
(202) 463-5310

May 18, 2020

The Honorable John Cornyn
United States Senate
Washington, DC 20510

The Honorable Tom Carper
United States Senate
Washington, DC 20510

The Honorable Chuck Grassley
United States Senate
Washington, DC 20510

The Honorable Ron Wyden
United States Senate
Washington, DC 20510

The Honorable Marco Rubio
United States Senate
Washington, DC 20510

Dear Senators Cornyn, Carper, Grassley, Wyden, and Rubio:

The U.S. Chamber of Commerce supports S. 3612, the Small Business Expense Protection Act, which would allow the customary deduction of business expenses for small business recipients of Paycheck Protection Program (PPP) loans.

The Small Business Expense Protection Act would restore the ability of small businesses that have received PPP loans to deduct business expenses even if the expenses were paid out of PPP proceeds, freeing up much-needed capital on Main Street.

To support all small businesses, the Chamber supported the creation of the PPP in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. For the same reason, we supported emergency supplemental funding to restore PPP funding after the program's initial funding was exhausted. The most recent MetLife & U.S. Chamber of Commerce Coronavirus Impact Poll shows that 70% of small businesses with 20 or more employees view PPP loans as critical to keeping their businesses open.

When Congress created PPP, it wisely treated the amount of PPP loan forgiveness as non-taxable, bolstering liquidity for small businesses struggling to survive the pandemic. Unfortunately, Internal Revenue Service (IRS) guidance disallows otherwise deductible business expenses for small business taxpayers who receive a PPP loan that is subsequently forgiven.

We support passage of this legislation.

Sincerely,



Neil L. Bradley