



The Honorable Mitch McConnell
Senate Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Charles Schumer
Senate Democratic Leader
U.S. Senate
Washington, DC 20510

Dear Majority Leader McConnell and Democratic Leader Schumer:

On behalf of the National Small Business Association (NSBA), the nation's first small-business advocacy organization, with more than 65,000 small-business members representing every state and every industry across the country, I ask you to consider improvements to H.R. 6201, the Families First Coronavirus Response Act. COVID-19 is creating an economic disaster for many small companies—and threatening the entire small-business community, who will be feeling the impact of this pandemic for months and years to come.

We appreciate Congress and the Administration moving quickly to mitigate the threats COVID-19 poses to public health, our economy, and workers across the country. Yet, one of the more economically hard-hit groups is America's small-business community; not just the owners, but their employees and the countless families that depend on small businesses. NSBA recently released a [business impact poll](#) on COVID-19, which concluded that three-in-four small-business owners say they are very concerned about the economic impact of COVID-19. Nearly half of small businesses have already experienced reduced customer demand for their products and services, and more than half of small-business owners are now anticipating a recession in the coming 12 months—compared with just 14 percent in January.

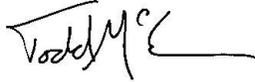
We stress that the technical correction bill—like the prior iteration of H.R. 6201—is but one step in the process, and more must be done to aid these already struggling small businesses. The bill still leaves many questions unanswered, and potentially creates more bureaucratic paperwork burdens for small companies to navigate in order to simply keep their businesses open and operating.

Further actions are needed to strengthen the economy and specifically improve and protect small-business cash-flow. The short-term cash-crunch that many small businesses will face could force otherwise successful companies to close, further deepening an economic downturn. Maintaining small business cash-flow and liquidity will be key to enabling successful small businesses to get to the other side of this crisis. Although H.R. 6201 includes tax credits and Treasury Secretary Mnuchin has promised to advance business money, credits may not produce sufficient liquidity in time. We fear the government does not have the infrastructure and businesses do not have the administrative resources to access these advances in the time needed to deter business closures. There is no one-size-fits-all solution, but there are several potential ways to help. Potential approaches NSBA recommends include:

- Substantial payroll tax relief/holiday can put much needed money into the pockets of both small business and their customers;
- Significantly ramped-up lending programs with delayed pay-back and low/no interest with red tape pared back dramatically for loan programs;
- Grants or tax credits (refundable) to small businesses, including pass-throughs, based on the companies' previous revenues can get cash in the hands of smaller companies quickly;
- Avoid industry-specific solutions only, as the economic impacts are wide-reaching and the approach should be broad, recognizing that all businesses are impacted;
- Allow flexibility in scheduling and paid leave for small employers;
- Avoid new and complex leave reimbursement programs many small businesses realistically can't "float."

Most small businesses exist on very narrow margins and simply do not have the scope necessary to juggle employees and finances around to float the business indefinitely absent revenues coming in. On behalf of NSBA members, I urge you to keep smaller businesses in mind and thank you for moving swiftly and decisively to help American workers, their families, and the businesses that employ them.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd McCracken". The signature is stylized and includes a long horizontal flourish extending to the right.

Todd McCracken
President & CEO