



December 15, 2021

The Honorable Richard Neal
Chair House Ways and Means Committee
U.S. House of Representatives
Washington, DC 20515

RE: Massachusetts Nonprofits Need ERTC Restoration (HR 6161)

Dear Chairman Neal:

We write on behalf of our two organizations, the Massachusetts Nonprofit Network and Providers' Council of Massachusetts, which collectively represent 800 nonprofits across the Commonwealth, to express appreciation for your persistent efforts on the human infrastructure legislation to improve the lives of the people we serve. We seek your support in restoring an important tool that will help charitable nonprofits continue to perform their vital work for people in the Commonwealth and throughout the country: the Employee Retention Tax Credit (ERTC).

The Employee Retention Tax Credit Reinstatement Act (HR 6161) was recently introduced by Rep. Carol Miller (R-WV) and it is cosponsored by fellow Ways and Means Committee Members Stephanie Murphy (D-FL), Kevin Hern (R-OK), and Terri Sewell (D-AL). We ask for your support of this bipartisan bill.

As you know, the Employee Retention Tax Credit (ERTC) was created with strong bipartisan support in the CARES Act. The American Rescue Plan Act added third and fourth quarters of ERTC to provide much-needed relief to nonprofits and small businesses, but the Infrastructure Investment and Jobs Act eliminated the fourth quarter of the ERTC in 2021. This retroactive elimination of ERTC has created significant hardships for many nonprofits and small businesses.

The ERTC has allowed nonprofits to retain staff and, with the extension through the fourth quarter enacted in the American Rescue Plan Act, enabled charitable organizations to plan ahead and reopen for the fall to address educational, cultural, and direct services needs. Retroactively eliminating ERTC for the fourth quarter of 2021 will disrupt that important budgetary and operational planning. If the fourth quarter of ERTC is not reinstated, nonprofits across the country could lose financial resources that were intended to support nonprofit jobs that are providing crucial services and contributing to the nation's recovery from the pandemic.

Restoring the ERTC for the fourth quarter will be a helpful boost for nonprofits, and will help ensure that community-based organizations can continue to support their neighbors and contribute to the nation's recovery from the pandemic.

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Thank you for your help in ensuring that the ERTC for the fourth quarter of 2021 remains in law as promised in the American Rescue Plan Act and planned for by nonprofits and small businesses across the country. We stand ready to answer any questions and to support you in this effort.

Sincerely,



Jim Klocke
Chief Executive Officer
Massachusetts Nonprofit Network



Michael Weekes
President and CEO
Providers' Council