

November 7, 2022

The Honorable Charles Rettig  
Commissioner  
Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, D.C. 20224

Dear Commissioner Rettig,

We write to you regarding the Internal Revenue Service's (IRS) management of the Employee Retention Tax Credit (ERTC). As you know, the ERTC was initially included in the CARES Act and was subsequently expanded to encourage employers to keep employees on payroll during the COVID-19 pandemic. Per IRS guidance, ERTC-eligible employers that did not initially claim ERTC funds on their Form 941, as well as employers seeking to modify prior claims, are required to file Form 941-X.

We understand that there have been significant delays in the disbursement of ERTC funds. Some of the employers we represent who filed Form 941-X have had to wait as long as eleven months to access their ERTC funds. Our members' experiences support the findings of a Treasury Inspector General for Tax Administration (TIGTA) audit report published on August 31, 2022 regarding the IRS's administration of COVID-19 tax relief. The report found that "ongoing and considerable delays in the processing of amended Forms 941 filed by businesses resulted in businesses not timely receiving the immediate financial relief for which this legislation was enacted." The report cites a "lack of updated programming and procedural guidance, lack of training, erroneously suspended claims, and a lack of necessary prioritization of claims" as the primary causes for the delay. As of August 31<sup>st</sup>, the IRS had a backlog of 207,000 unprocessed Form 941-Xs.

The IRS's ERTC processing delays have produced financial hardship for countless small businesses, nonprofit organizations, and their employees. With most recipients having long since expended their Paycheck Protection Program (PPP) loans, our employers have depended on the ERTC as one of the few pandemic-related financial support programs. Unfortunately, the IRS's languid implementation of the ERTC undermines the ERTC's purpose to function as an immediate form of financial relief.

We look forward to identifying ways that we can work together with you and the IRS to ensure that America's businesses and nonprofits get timely access to the ERTC credit which was promised to them by Congress.

Sincerely,

National Automatic Merchandising Association (NAMA)  
American Bus Association  
American Council of Engineering Companies  
American Society of Association Executives  
American Society of Travel Advisors (ASTA)  
Argentum  
Asian American Hotel Owners Association (AAHOA)

Brilliant Edventures  
Custom Holidays  
Dance/USA  
Drycleaning & Laundry Institute  
Ed-Ventures, inc.  
Exhibitions & Conferences Alliance  
Experiential Designers & Producers Association  
Free Spirit Vacations  
Girl Scouts of the USA  
IAAPA, The Global Association for the Attractions  
Industry  
IHRSA  
Independent Sector  
International Franchise Association  
International Inbound Travel Association  
Julian Tours  
League of American Orchestras  
Los Angeles Maritime Institute  
National Association of Theatre Owners  
National Council of Nonprofits  
National Federation of Independent Business (NFIB)  
National Newspaper Association  
National Tour Association  
Northeast Unlimited Tours, Inc.  
OPERA America  
Professional Nonprofit Theater Coalition  
SignaTours, Ltd.  
Sports Leisure Vacations  
Sports Travel and Tours  
The Group Tour Company  
Theatre Communications Group  
United States Tour Operators Association  
YMCA of the USA