

**December 10, 2020**

**Charlie Oppler**

2021 President

**Bob Goldberg**

Chief Executive Officer

The Honorable Marco Rubio  
Chairman  
U.S. Senate Committee on Small  
Business and Entrepreneurship  
284 Russell Senate Office Building  
Washington, DC 20510

The Honorable Ben Cardin  
Ranking Member  
U.S. Senate Committee on Small  
Business and Entrepreneurship  
509 Hart Senate Office Building  
Washington, DC 20510

Dear Chairman Rubio and Ranking Member Cardin:

On behalf of the 1.4 million members of the National Association of REALTORS®, thank you for holding today's hearing, "Small Business in Crisis: The 2020 Paycheck Protection Program and its Future." The Small Business Administration's Paycheck Protection Program (PPP) has provided a lifeline to thousands of small businesses in the U.S. during the COVID-19 pandemic. Congress should act quickly to reauthorize the program and include common-sense improvements which make it more responsive to the needs of small businesses.

PPP loans provide crucial assistance to small businesses and independent contractors impacted by the pandemic, allowing them to keep employees paid and meet other debt obligations, such as paying their rent or mortgage interest and utilities. However, the program is complicated, and applications for forgiveness present a challenge to many borrowers who have not needed to seek aid in the past and do not have accountants or attorneys on staff to assist them – a group that includes most small businesses and independent contractors. Congress has already taken steps to address this by simplifying the forgiveness applications for many borrowers, but it still presents challenges. We urge you to pass S. 4117, the "Paycheck Protection Small Business Forgiveness Act," bipartisan legislation that resolves the problem by allowing borrowers of PPP loans below \$150,000 to submit a one-page forgiveness application self-certifying their compliance with the program's requirements.

NAR also supports allowing 501(c)(6) organizations access to PPP funds, if they meet size requirements and certain restrictions around lobbying activities. These organizations employ thousands of people and provide important services and support to their communities. They too are struggling, but are not currently eligible to apply for PPP loans. They will play a crucial role in the economic recovery post-COVID-19 in this country, but in order to get there will need assistance as well.

Finally, Congress should address the tax-deductibility of business expenses paid for with PPP loan money through a technical correction. Congress made clear in the CARES Act its intent for tax-free treatment of any

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**Shannon McGahn**

Chief Advocacy Officer



forgiven PPP loan amount, but the IRS then issued Notice 2020-32, contradicting that intent by effectively making the tax-free loan forgiveness into taxable income. This could result in small businesses having to pay up to 37% in taxes on their forgiven PPP loans – an unexpected expense that many small businesses cannot cover. Ultimately, this could mean that the very loan that helped a small business stay afloat and pay its employees becomes the cause of its closure mere months later.

Again, thank you for holding this important hearing. We look forward to continuing to work with you to ensure that PPP loans are fulfilling their purpose of helping small businesses survive this crisis and lead in our nation's economic recovery.

Sincerely,

A handwritten signature in black ink, appearing to read "Charlie Oppler", with a long horizontal flourish extending to the right.

Charlie Oppler  
2021 President, National Association of REALTORS®