Dear Colleague,

We ask you to join us in sending a bipartisan letter urging House and Senate Leadership to support state and local governments by making them eligible for emergency paid family and sick leave payroll tax credits. Public employees are eligible for the emergency paid family and sick leave programs, but the Families First Coronavirus Response Act excluded public employers from these tax credits, while making them available to private sector employers.

Emergency paid leave for employees is a large expense at a time when state and local governments are already strained by reduced tax revenues due to the economic crisis caused by COVID-19. Without these tax credits, severe costs will undermine the ability of localities to provide the critical services necessary for a successful COVID-19 response.

Please join us in urging leadership to include this important fix in the next stimulus package. Text of the letter is below. Legislation to follow.

Sincerely,
LETTER TEXT:

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

As Congress continues to work on economic stimulus legislation in response to the COVID-19 pandemic, we ask that you restore parity between the private and public sector when it comes to eligibility for tax credits to mitigate the costs of emergency paid leave provisions included in the Families First Coronavirus Response Act.

State and local governments are on the front lines in responding to this epidemic and coping with its punitive impacts. We strongly support provisions that provide emergency paid leave for employees, and tax credits allowing employers to recoup these costs. However, subsection (e)(4) of Section 7001 and subsection (e)(4) of Section 7003 exempt public employers from these tax credits despite their employees being eligible for emergency paid leave. This amounts to an unfunded federal mandate for state and local governments and should be amended. We respectfully request that you include this fix in subsequent COVID-19 economic stimulus legislation. Without it, these severe costs will undermine the ability of state and local governments to provide the critical public services necessary in the nation’s COVID-19 response.

We appreciate your leadership as Congress continues to respond to the economic fallout from this pandemic. Thank you for your attention to this request.

Sincerely,

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