



AMERICAN TRUCKING ASSOCIATIONS
NATIONAL ACCOUNTING
& FINANCE COUNCIL

NATIONAL ACCOUNTING & FINANCE COUNCIL

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www.trucking.org



December 3, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
House of Representatives
Washington, DC 20515

The Honorable Chuck Grassley
Chair, Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Ron Wyden
Ranking Member, Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Nydia Velázquez
Chair, Committee on Small Business
House of Representatives
Washington, DC 20515

The Honorable Steve Chabot
Ranking Member, Committee on Small
Business
House of Representatives
Washington, DC 20515

The Honorable Marco Rubio
Chair, Committee on Small Business and
Entrepreneurship
United States Senate
Washington, DC 20510

The Honorable Ben Cardin
Ranking Member, Committee on Small
Business and Entrepreneurship
United States Senate
Washington, DC 20510

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

The Honorable Kevin Brady
Ranking Member, Ways and Means Committee
House of Representatives
Washington, DC 20515

Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi, Minority Leader
McCarthy, Chair Grassley, Ranking Member Wyden, Chair Velázquez, Ranking Member
Chabot, Chair Rubio, Ranking Member Cardin, Chair Neal and Ranking Member Brady:

As you consider additional stimulus efforts to combat the economic effects of the COVID-19
pandemic, the American Trucking Associations' National Accounting and Finance Council urges
you to consider making a technical correction to the deductibility of ordinary business expenses
paid using forgiven Paycheck Protection Program (PPP) loans. Specifically, this organization
supports the passage of H.R. 6754, the Protecting the Paycheck Protection Program of 2020.

In keeping with the Congressional intent of the program, these expenses should be fully
deductible to provide America's small businesses with much-needed liquidity. The majority of

trucking companies in the U.S. are small businesses, 70% of ATA members are companies with 20 or fewer trucks. While the effects of the COVID-19 crisis have been varied among motor carriers, many have suffered a tremendous economic loss and are at risk of closing their doors for good.

When the CARES Act was passed, Congress made clear that any loan forgiveness under the PPP program would be excluded from the borrower's taxable income.¹ Further, it is clear that IRS Notice 2020-32 which disallows deductions for expenses paid using those loans is contrary to Congressional intent. Senate Finance Committee Chairman Chuck Grassley (R-Iowa) and Ranking Member Ron Wyden (D-Ore.) issued a statement on November 19, 2020, "We explicitly included language in the CARES Act to ensure that PPP loan recipients whose loans are forgiven are not required to treat the loan proceeds as taxable income. As we've stated previously, Treasury's approach in Notice 2020-32 effectively renders that provision meaningless."²

IRS and Treasury have reasoned that they are preventing double dipping by disallowing these deductions, however their actions remove any tax benefit from the tax-free loans. If a business has \$100,000 of PPP loans forgiven and excluded from its income, but then is required to add back \$100,000 of denied business expenses, the result is the same as if the loan forgiveness was fully taxable – this business would be faced with an unexpected \$21,000 federal tax obligation, potentially much more if they are a pass-through business. Failure to pass a technical correction on this matter would provide an undue hardship for thousands of America's small businesses.

On behalf the tens of thousands of small trucking businesses and the millions of drivers they employ, the ATA's National Accounting & Finance Council thanks you for the economic relief that you have provided so far and for your tireless efforts to help American businesses cope with this unprecedented crisis. The liquidity provided by the Paycheck Protection Program has enabled fleets across America to keep on trucking during these difficult times and a technical correction regarding business expense deductibility is a necessary step toward a strong economic recovery. We appreciate your consideration and welcome the opportunity to discuss further.

Sincerely,



Jennifer Wieroniey
Executive Director
National Accounting & Finance Council
American Trucking Associations

¹ [H.R. 748](#), The Coronavirus Aid, Relief, and Economic Security Act, Section 1106(i): Loan Forgiveness.

² See Senate Finance Committee Chairman Chuck Grassley's statement, "[Grassley, Wyden: Treasury Misses the Mark on PPP Loan Expense Deductibility Guidance](#)," November 19, 2020.