



## INTERNATIONAL ASSOCIATION OF PLUMBING AND MECHANICAL OFFICIALS

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**GP Russ Chaney**, Chief Executive Officer

March 23, 2020

The President  
The White House  
1600 Pennsylvania Ave, NW  
Washington, DC 20500

The Honorable Nancy Pelosi  
The Speaker of the House of Representatives  
United States Capitol  
Washington, DC 20515

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

Mr. President, Speaker Pelosi, and Majority Leader McConnell:

As America confronts COVID-19, it is critical that any fiscal and economic response to help businesses survive the crisis match the scale and intensity of the steps being taken to end the pandemic. Efforts to slow the spread of the disease are unprecedented, as is the speed and severity of the economic collapse they have precipitated. The operations of millions of businesses are threatened, together with the jobs of the millions of workers they employ.

The plumbing industry is at the heart of America's response — ensuring that hundreds of millions of Americans have access to the water and sanitation critical to stopping the spread of this disease. We appreciated the U.S. Department of Homeland Security recognizing the vital role the plumbing industry plays by identifying it as one of America's most indispensable professions in its *Guidance on the Essential Critical Infrastructure Workforce: Ensuring Community and National Resilience in COVID-19 Response*.

To minimize the number of businesses closed and workers unemployed in our industry, and support those on the front lines who are securing access to safe, clean water and proper sanitation for all Americans, the response from Washington needs to be coordinated, massive, and focused on ensuring that all employers in our sector have the resources necessary to ride out the pandemic. This response should include, but not be limited to, the following areas:

- Immediately provide readily accessible, unsecured credit or cash-flow assistance through 100 percent federally guaranteed loans to employers of all sizes who maintain their payroll during this emergency. If employers maintain payroll, the loans would be forgiven. This would help with employee retention and assist affected small businesses in recovery.
- Expand the allowable uses for 7(a) loans to permit payroll support, including paid sick leave, supply chain disruptions, employee salaries, mortgage payments and other debt obligations to provide immediate access to capital for small businesses.

- Suspend the filing of business returns and the payment of all business taxes to the federal government for the duration of the pandemic. These suspended taxes should include taxes owed for the 2019 tax year, estimated payments for 2020, and all payroll tax obligations. The suspension should be broad and apply to all businesses. When the pandemic is over, the repayment of any deferred taxes should be spread out over time.
- Amend the Tax Code to, among other items, restore the ability of businesses to carryback any net operating losses against previous year tax payments; suspend the application of the Section 163(j) limitation on interest expense deductions for tax year 2020 to avoid penalizing businesses for borrowing during this crisis; and suspend the Section 461(l) loss limitation on pass-through businesses to allow businesses to fully deduct any losses they incur this year.
- As is done in the Families First Coronavirus Response Act (H.R. 6201), any additional employment-focused relief or stimulus legislation must expressly apply to employment at tax-exempt organizations by making tax credits and deductions applicable not just to income taxes, but to the taxes nonprofits pay, such as payroll taxes. Further, Congress should also ensure that relief and stimulus legislation designed to assist for-profit businesses in the areas of unemployment insurance, employee retention, and risk insurance must also address the unique challenges and realities that nonprofits face.
- Every nonprofit in America, regardless of size, that provides paid family and medical leave should receive a tax credit the organization can use. We applaud the HR 6201 approach to provide a payroll tax credit to all employers of a certain size (including charities and other nonprofits) providing emergency paid family leave and sick time pay for care related to the coronavirus. Congress should provide payroll tax credits to all charities, regardless of size, that provide such paid family leave and sick time pay as a result of the coronavirus.
- Treat the broader construction industry and the work it performs as vital and essential to the critical industries that must remain in operation to respond to this pandemic and crises to come. On March 19, DHS issued guidance listing 16 critical infrastructure industries whose workforces should maintain their normal work schedules. Though construction was not explicitly listed, it is crucial to the operation of all 16 industries. In the absence of clear federal guidance, many states and localities have taken a wide variety of unreasonable approaches to addressing the ongoing operation of our industry.

#### Water Assistance to Low-Income Households:

- Ensure home water and energy service continuity. Congress should require that states and utilities receiving funds through stimulus legislation adopt or maintain in force policies to prevent the shutoff of electricity, home heating and cooling, and drinking and wastewater services to residential customers during the COVID-19 public health emergency.
- Provide drinking water and wastewater assistance to low-income households. COVID-19 related legislation should include financial assistance to low income and other adversely affected consumers to assist with payments for drinking water and wastewater expenses by authorizing \$1.5 billion for grants to states, territories and Indian Tribes.

#### Tax Relief for Individuals:

- Provide recovery checks of up to \$1,200 into the hands of many taxpayers, providing cash immediately to individuals and families — phasing out once a taxpayer's income exceeds the phase-out threshold.
- Consistent with previous disaster-related relief, waive the 10 percent early withdrawal penalty for distributions up to \$100,000 from qualified retirement accounts for COVID-19 related impacts.

- Create an above-the-line deduction for charitable donations. Senator Lankford's amendment would provide an above-the-line deduction for charitable giving capped at 1/3 of the standard deduction (\$4000 for individuals / \$8000 for married couples) and ensure that there's no giving floor included, so that we make this accessible for small dollar donors, which are critical to churches and charities.

Health Care Provisions:

- Health Savings Accounts for Telehealth Services: Allow a high-deductible health plan (HDHP) with a health savings account (HSA) to cover telehealth services prior to a patient reaching the deductible, increasing access for patients who may have the COVID-19 virus and protecting other patients from potential exposure.
- Over-the-Counter Medical Products Without Prescription: Allow patients to use funds in HSAs and Flexible Spending Accounts for the purchase of over-the-counter medical products, including those needed in quarantine and social distancing, without a prescription from a physician.
- Health Savings Accounts for High-Quality Primary Care: Allow patients with a HDHP to use HSA funds to pay the monthly fee to a direct primary care physician practice that typically provides more remote care, including telehealth.
- Clarify that all testing for COVID-19 is to be covered by private insurance plans without cost sharing, including those tests without an Emergency Use Authorization (EUA) by the FDA.

As you know, the plumbing industry is vital to the public health of the nation, and as such we appreciate your consideration in this request.

We thank you for your leadership during these very difficult times and welcome the opportunity to answer any questions.

Respectfully submitted,



GP Russ Chaney  
CEO, The IAPMO Group

CC:

The Honorable Kevin McCarthy (R-CA)  
House Minority Leader  
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The Honorable Charles Schumer (D-NY)  
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