



RETAIL INDUSTRY LEADERS ASSOCIATION

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March 18, 2020

The Honorable Donald J. Trump
President
The White House
Washington, DC 20500

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

The Honorable Kevin McCarthy
Republican Leader
United States House of Representatives
Washington, DC 20515

The Honorable Steven Mnuchin
Secretary of Treasury
U.S. Department of Treasury
Washington, DC 20220

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20515

The Honorable Chuck Schumer
Democratic Leader
United States Senate
Washington, DC 20515

Dear Mr. President, Secretary Mnuchin, Speaker Pelosi, Majority Leader McConnell, Leader McCarthy and Leader Schumer,

Today bold action by our nation's leaders is required to address the COVID-19 pandemic and provide the necessary economic relief to protect all aspects of the American economy and American families. Retail Industry Leaders Association (RILA) members are at the forefront in providing essential services across the country and in every community ensuring the health and well-being of our families, friends and neighbors. RILA commends the recent action by Congress to address the COVID-19 pandemic and stands ready to assist as other economic stimulus measures are being crafted to protect the most vulnerable among us, employees and their families and businesses of all sizes.

Outlined below are several economic measures that can be a part of a larger stimulus package to aid the broader U.S. economy. It is crucial to provide economic support to employees and their families during these uncertain times through immediate tax relief to both employees and employers. It is also pivotal to ensure robust liquidity remains throughout our credit markets. Finally, there should be a suspension of tariffs that have fallen directly on the merchant community.

As important as these financial levers are to arrest the economic slide caused by COVID-19, it is also equally vital that our nation's supply chains are as functional as they can be. To ensure the resupply of essential goods to stores and allow for e-commerce to function, retailers need distribution centers to be included in any definition of "essential" business.

RILA welcomes the additions of other provisions but believes the policies highlighted below will have an immediate impact for workers and the broader business community.

Administration – Market Liquidity

Department of Treasury & Federal Reserve:

- Urge the Federal Reserve, Department of Treasury and other primary bank regulators to broaden and continue to use their emergency authority to provide short-term financing through financial institutions to ensure robust liquidity for impacted industries.
- Press the Federal Reserve, Department of Treasury and other primary bank regulators to continue to use their emergency authority to allow financial institutions to address capital requirements to ensure credit remains flowing to all sectors of the economy.
- Prudential Financial Services regulators along with Congress and the White House need to be prepared to use further extraordinary measures to ensure credit is accessible for all businesses before the end of the March.

Tariff Relief:

- Temporarily suspend all Section 301 tariffs and retroactively refund all Section 301 tariffs paid by retailers from the date of implementation of the tariffs until the effective date of the suspension by the Administration.

Delay of Tax Payments:

- Support the Administration's announcement on delaying the April 15th deadline to pay taxes owed. Corporations will get an extension on up to \$10 million.
- Encourage the Administration to delay the estimated quarterly tax payments that businesses pay the IRS throughout the year.

Congress – Worker & Family Support

Unemployment Insurance:

- Provide a temporary exception to Unemployment Insurance (“UI”) rules. Allow individuals taking voluntary unpaid leave to be eligible for UI benefits.

Tax Relief:

- Provide temporary payroll tax cuts for employers and employees.
- Provide an Employee Retention Tax Credit worth 40% of wages (up to \$6,000 of qualified wages per employee) paid by an employer. Maximum credit of \$2,400
- Qualified Improvement Property. Fix the retail glitch and make it retroactive to its effective date in the Tax Cuts and Jobs Act (“TCJA”).
- Reinstate the ability of companies to monetize net operating losses (“NOL’s) by allowing them to be carried back and utilized against previous profitable years.



As the sector of the economy most closely connected to the everyday lives of American families, retailers are acutely aware of the anxiety which is rippling across markets and into our homes. The primary goal of the entire retail industry at this difficult moment is ensuring that Americans stay safe, and that they have the essential products they need for their families. As Congress and the Administration work expeditiously on a package to fight this epidemic and stabilize the economy, RILA will continue to offer policy solutions that will benefit employees, communities and all businesses. It is in these trying moments when Americans are at their best, it is paramount that we face this adversity together.

Sincerely,

A handwritten signature in black ink, appearing to read "BDodge". The signature is fluid and cursive, with a long horizontal stroke at the end.

Brian Dodge
President

RILA is the U.S. trade association for leading retailers. We convene decision-makers, advocate for the industry, and promote operational excellence and innovation. Our aim is to elevate a dynamic industry by transforming the environment in which retailers operate. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales, millions of American jobs, and more than 100,000 stores, manufacturing facilities, and distribution centers domestically and abroad.

