



March 18, 2020

The President
The White House
Washington, DC 20500

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

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

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

On behalf of the members of the National Retail Federation, our employees and our consumers, we appreciate the swift efforts of the Trump Administration and congressional leadership to minimize the impact of the coronavirus pandemic, both in terms of public health as well as the broader economic implications domestically and around the world. Retail is the nation's largest private sector employer, supporting one in four U.S. jobs — 52 million working Americans; and the decisions being made in Washington this week will have lasting effects on our businesses, our associates and the communities we serve.

The retail industry is being dramatically impacted by social-distancing that is both voluntary and publicly mandated, and our members tell us that the most important support they can get from the federal government would be access to credit that can sustain them until consumers are back in the marketplace. Labor and benefit obligations, rents, loan payments are all crippling burdens if no sales are being made for days or weeks at a time, and our members are suffering cumulative losses that amount to tens of billions of dollars a week. Certainly, consideration of a mandatory default and foreclosure stay or directions from federal authorities on rent abatement might provide some needed relief for retailers faced with closure orders. With much uncertainty over the length of this crisis, however, a direct, government-backed loan program might be particularly helpful in achieving the goal of providing a bridge to the resumption of normal business operations.

Certain tax changes can also improve liquidity. For example, the Administration's action yesterday to delay tax filings and payments for 90 days provides additional liquidity is welcome

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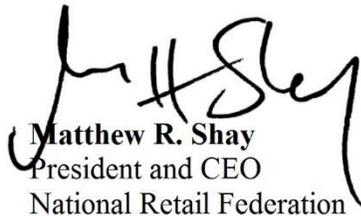
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news. Allowing businesses to file amended returns to recoup their overpayment of taxes as a result of the error in the qualified improvement property provision of the 2017 tax law would also return as much as \$15 billion a year to retail, restaurant and hotel businesses. Reinstating the net operating loss carryback (NOL) would also allow businesses that are losing money this year to monetize those losses earlier than otherwise allowed by applying them against past years' taxable income.

Finally, all our members are extremely focused on sustaining their workforce even if they have to close stores temporarily. Assistance in providing for payroll costs might help slow layoffs that will be inevitable if retail sales continue to collapse. Expanding the employee retention tax credit to businesses that are suffering financial losses because of this crisis would help to offset payroll costs at a time when sales are in a decline.

Thank you for your leadership in these extraordinary times, and we look forward to working with you establish a bridge to the end of this crisis.

Sincerely,



Matthew R. Shay
President and CEO
National Retail Federation