



DLA Piper to provide tax relief input to Congress from businesses impacted by coronavirus

Hospitality and Leisure Alert

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By: Sandra Y. Kellman | Evan M. Migdail | Melissa Gierach

DLA Piper has been asked by Congressional tax writers of the House Ways and Means Committee for proposals for tax relief to assist industries and individuals adversely affected economically by the COVID-19 coronavirus.

Of particular concern is the travel and tourism sector, but the Committee staff is open to considering the impact on other economic sectors. The Committee has reached out to us because we have worked in close tandem with the Committee's tax staff on temporary disaster relief provisions going back to Hurricane Katrina in 2005.

Congress last week enacted a spending package of \$8.3 billion to fund public health agencies, but has yet to address the economic impact of the outbreak. The Administration is considering a deferral of taxes, some form of debt relief, and a payroll tax cut similar to the 2010 Hire Act which temporarily forgave the employee contribution to FICA in order to stimulate demand.

Provisions similar to those enacted in the December budget agreement for dealing with weather disasters, including an employee retention credit to subsidize wages for employers who keep employees on their payrolls despite a significant drop in revenues as a result of the outbreak, are also under consideration.

At this point, it would be helpful to us to receive input from you. If you are experiencing a sudden drop in business due to the COVID-19 coronavirus, **let us know your suggestions for ways Congress could create for**

temporary provisions to help you get through the public health crisis. This will allow us to communicate your situation and suggestions to the tax writers.

Please feel free to reach out to Sandi Kellman, Evan Migdail or Melissa Gierach and we in turn would be pleased to discuss the current state of play on this matter with you. The time frame is short as the Administration and Congressional leaders are eager to act to minimize the economic impact of the coronavirus and to stem a possible spike in unemployment and an economic downturn.

AUTHORS



Sandra Y. Kellman

Partner

Chicago | T: +1 312 368 4000

sandra.kellman@dlapiper.com



Evan M. Migdail

Partner

Washington, DC | T: +1 202 799 4000

evan.migdail@dlapiper.com



Melissa Gierach

Policy Advisor

Washington, DC | T: +1 202 799 4000

melissa.gierach@dlapiper.com
