

**Chris Netram**

*Vice President  
Tax and Domestic Economic Policy*

March 30, 2020

The Honorable David Kautter  
Assistant Secretary, Tax Policy  
U.S. Treasury  
1500 Pennsylvania Ave. NW  
Washington, DC 20220

The Honorable Michael Desmond  
Chief Counsel  
Internal Revenue Service  
1111 Constitution Ave. NW  
Washington, DC 20224

Dear Assistant Secretary Kautter and Chief Counsel Desmond:

On behalf of the 12.8 million men and women who make things in America, the National Association of Manufacturers is writing to urge for the expeditious implementation of the Coronavirus Aid, Relief and Economic Security Act (CARES Act)<sup>1</sup> to help mitigate the extraordinary financial impact on manufacturers due to COVID-19 and enable manufacturers to continue meeting the nation's critical needs in this time of crisis.

I write to you today regarding Section 2302 of the CARES Act, which allows for the deferral of the payment of employment payroll taxes beginning on the date of enactment and ending on Dec. 31, 2020. Under this section, businesses will need to pay half of the deferred taxes at the end of 2021 and the remaining half in 2022. As this provision is intended to provide much-needed liquidity for businesses, it is of the greatest urgency that Treasury issue guidance so that businesses can quickly benefit from this provision.

In addition, we are seeking clarification as to whether the deferral of employment payroll taxes can apply to wages earned prior to the date of enactment. For example, if a payment of employment payroll taxes is due on April 2, 2020, but covers earnings before March 27, 2020, the date of enactment, can a business defer the employment taxes on those earnings? Immediate clarification will be helpful given March 31/April 1 payroll dates.

Providing timely guidance to manufacturers will help free up critical capital that can help manufacturers maintain their operations and position the industry for a strong recovery post-crisis. We look forward to continuing working with you on the implementation of the CARES Act.

Sincerely,



Chris Netram  
Vice President  
Tax and Domestic Economic Policy  
National Association of Manufacturers

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<sup>1</sup>Pub. Law No. 116-136.