April 10, 2020

The Honorable Nancy Pelosi, Speaker
United States House of Representatives
1236 Longworth House Office Building
Washington, D.C. 20515

The Honorable Mitch McConnell, Leader
United States Senate
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Kevin McCarthy, Leader
United States House of Representatives
2468 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Charles Schumer, Leader
United States Senate
322 Hart Senate Office Building
Washington, D.C. 20510

RE: ACWA Request to Correct Tax Credit for State and Local Governments in HR 6201

Dear Leader McConnell, Speaker Pelosi, Leader Schumer, and Leader McCarthy

The Association of California Water Agencies (ACWA) respectfully requests your support to amend the Coronavirus Aid, Relief, and Economic Security Act so that water systems and other public sector employers benefit from the same payroll tax credits as their private sector counterparts. ACWA’s 455 public water agency members supply over 90 percent of the water delivered in California for residential, agricultural, and municipal uses.

H.R. 6201, the Families First Coronavirus Response Act, expands paid sick leave and family medical leave benefits for all public sector employees who are affected by the novel coronavirus crisis. However, the enacted legislation treats private companies and public employers very differently. Both are required to provide paid sick and family leave to employees affected by the coronavirus pandemic; however, only private sector employers will receive a payroll tax credit to offset the costs. Public sector employers are explicitly prohibited from receiving those same tax credits, even though state and local governments pay payroll taxes to the federal government.

We strongly urge you to include a provision in any additional Coronavirus legislation to strike Secs. 7001(e)(4) and 7003(e)(4) from HR 6201 and explicitly clarify that state and local governmental employers, including those exempt from 26 USC 3111, fully qualify for both the Section 7001 and Section 7003 credits. ACWA’s members believe it is imperative that water systems and other public sector employers benefit from the same payroll tax credits as their private sector counterparts.

Thank you for your attention to this request.
Sincerely,

David Reynolds
Director of Federal Relations, ACWA

CC:
US House of Representatives Committee on Ways & Means
US Senate Committee on Finance
US House of Representatives Committee on Appropriations
US Senate Committee on Appropriations