**The Los Angeles Area Chamber of Commerce Coronavirus Relief Package**

**Legislative Priorities**

**Health and Welfare**

- We urge legislators to approve the appropriate level of funding for public health, healthcare officials and first responders to ensure the appropriate management and treatment of the Coronavirus.
- We urge legislators to invest in the necessary public health infrastructure to meet the demands to hospitalize an increased number of California residents, including community clinics, and school-based health centers.
- We urge legislators to establish and issue COVID Relief grants for non-profits providing essential services to low-income, fixed-income, senior and other vulnerable populations.

The Los Angeles Area Chamber of Commerce will work with local business to try and mitigate the current economic strains. Many of our members are offering paid time off, paid sick leave, and other measures to ensure for the welfare of their workers. However, many companies are losing thousands of dollars in revenue daily. Business, particularly small business, need immediate relief measures.

**Federal Legislative Priorities**

**Provide Pay Roll Tax Relief:** We call for legislation that cancels payments on all payroll taxes paid by employers for the months of March, April and May. Employers send more than $100 billion to the federal government monthly in the form of Social Security, Medicare, and unemployment taxes. Collectively, these taxes add just over 15% to the cost of employee the average employee. Temporary relief from these taxes would give businesses more breathing room and operating capital to keep paying their employees and avoid layoffs.

**Relax Small Business Loan Requirements:** We call for legislation that expands and streamlines loan programs for small businesses experiencing losses from COVID-19 is vital for our small businesses. The Small Business Administration (SBA) disaster loan program for those impacted should be immediately made available nationwide, eliminating the complex and time-consuming local certification process. The SBA also should be given the authority to streamline its disaster-loan approval process for amounts below $350,000 in order to provide emergency capital more quickly. This should include removing the requirement that small businesses demonstrate they cannot access credit elsewhere before turning to SBA. These loans may be used to pay fixed debts, payroll, accounts payable, and other bills that can’t be paid because of the virus’ impact.

Another key economic driver in Los Angeles is travel and tourism, and trade. The airline industry has been also suffering an outsized impact due to precautionary measures put into place to reduce the spread of COVID-19. We also call posit that the third stimulus package include support for the airline industry that includes maintaining air cargo trade, grants, loans, tax relief, and.
**Maintain Air Cargo Trade:** The Administration and Congress should cooperate with other G-20 nations to determine a global standard to preserve the health of the pilots and crew and the global public health system in order to ensure the continuity of international air cargo networks. This standard should exempt pilots and crew from the 14-day quarantine requirements that do not interact with the public in the performance of their jobs should be if they follow governmentally-recognized health protocols. All G-20 nations should also cooperate to provide for specialized immigration and accommodations for pilots and crew when rest requirements need to be met.

**Grants:** We call for legislation to provide immediate assistance with grants of $25 billion for air passenger carriers and $4 billion for air cargo carriers to make up for diminished revenues and liquidity between December 31, 2019 and December 31, 2020 attributable to the COVID 19 Pandemic.

**Loans:** We all for legislation to provide a voluntary liquidity facility in which the Federal Reserve would purchase financial instruments from, provide zero percent unsecured loans, or zero percent unsecured loan guarantees of up to $25 billion for air passenger carriers and $4 billion for air cargo carriers.

**Tax Relief:** We call for legislation to provide a rebate to air passenger carriers the total of federal excise taxes paid into the Airport and Airway Trust Fund beginning on January 1, 2020 to March 31, 2020 as well as a temporary repeal of all federal excise taxes on air passenger carriers through December 31, 2021.

**America’s Charitable Nonprofit Employees Must be Protected:** The economic downturn will undoubtedly result in a contraction in contributions and other sources of revenue which are the lifeblood of many charitable organizations. America’s charities are frontline responders providing food, shelter, medical services and other critical services to those in need in their communities. At this crucial time when the American people and governments will depend even more on charitable nonprofits, contributions are likely to decrease as happened following the 2008 recession.

America’s charitable nonprofits need an immediate infusion of $60 billion in capital to maintain operations, expand scope to address increasing demands, and stabilize losses from closures throughout the country. Below are specific recommendations for assistance to help the nonprofit sector stay engaged serving the American people:

- As 10% of the U.S. workforce, we employ 12 million workers. We need to retain them.
- Nonprofits are on the frontlines serving people, especially those in need. We need business continuity relief.
- Give nonprofit payroll tax credit relief as this is the most significant tax we pay.
- Provide an “above-the-line” or universal charitable deduction for contributions through the end of 2021.

**Policy Solution** - Every charity in America, regardless of size, that provides paid family and medical leave should receive a tax credit the organization can use. We applaud the HR 6201 approach to provide a payroll tax credit to all employers of a certain size (including charities and other nonprofits) providing emergency paid family leave and sick time pay for care related to the coronavirus. Congress should provide payroll tax credits to all charities, regardless of size, that provide such paid family leave and sick time pay as a result of the coronavirus.

**State Legislative Priorities**
**Essential Service**– Identify restaurants and supply food chain food providers as essential service.

**Grant Program** – Establish a grant program that can be utilized by small to mid-size business to utilize as they experience financial burdens due to the impacts of the coronavirus. The program would be administered by the SBA. The timeframe for relief should be provided within 2 weeks.

**Bridge Loans**- Businesses need low to no interest loans to fill the financial gap they may experiencing.

**Loan Forgiveness**- Forgiving loans 120 after the Coronavirus emergency declaration is lifted to assist businesses that are experiencing major financial burdens.

**Payroll Tax Relief**- Canceling payroll taxes through the May 2020 or 120 days after the emergency declaration is lifted. Payroll taxes can be a financial burden as business are trying to meet payroll obligations.

**Tax Incentives**- Establish tax incentives to encourage travel as appropriate and assist the aviation, travel and restaurant industries in a timely fashion as they are the most immediate impacted industries.

**Employee Use of Paid Sick Leave**- Employers should be eligible for Paid Sick Leave Tax Credit for 14 days.

Employers covered by the Paid Sick Leave must allow covered employees to use accrued sick leave in the following situations:

- The employee takes time off work because public health officials or healthcare providers require or recommend an employee isolate or quarantine to prevent the spread of disease;
- The employee takes time off work because the employee falls within the definition of a “vulnerable population” as prescribed in the CDC guidance.
- The employee takes time off work because the employee’s business or a work location temporarily ceases operations in response to a public health or other public official’s recommendation;
- The employee takes time off work because the employee needs to provide care for a family member who is not sick but who public health officials or healthcare providers have required or recommended isolate or quarantine; or
- The employee takes time off work because the employee needs to provide care for a family member whose school, child care provider, senior care provider, or work temporarily ceases operations in response to a public health or other public official’s recommendation.

**Regulatory Relief at Local, State and Federal Level**

- Moratorium on new Rule Development through June 2020 so that we are focused on critical activities- We urge regulators to take a pause on new regulations and rule-making as businesses are grappling with the new realities of the Coronavirus and many may have minimal staff at facilities to follow guidance and protection of employees and their families.
- Work with local businesses on what current enforcement plans look like so that there is no added grievance as long as current policies and regulations continue to be followed and complied with or delay 120 days after the Coronavirus emergency declaration is lifted.
• Create local tax relief programs for hotels.
• Provide relief on the enforcement of AB 5.

Education Legislative Priorities

Closing schools has a disproportionate impact on low income families. The State must develop additional instructional resources for low-income families if schools remain closed, including but not limited to, providing all students with digital tools and wi-fi ability, hour by hour instruction from teachers, teacher developed instructional videos, on-line office hours. This will require professional development to some teachers for on-line learning and tools. Special consideration has to be given to special education and English learners.