



The Honorable Mitch McConnell
Majority Leader, United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker, United States House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader, United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader, United States House of Representatives
Washington, DC 20515

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

We, the nation’s public water sector, write to alert you to an urgent issue that directly affects all state and local government employees.

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 coronavirus crisis. While we support this provision, with appropriate limitations to ensure that certain critical operational water system staff are available at to maintain water service, the enacted legislation includes a glaring flaw that will place a strain on taxpayers across the country.

Unfortunately, the bill 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, but 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 the Coronavirus Aid, Relief, and Economic Security Act 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.

Water utilities have incredibly tight budgets in the best of times. Especially because water utilities across the country are doing their part to keep clean, safe, reliable, and affordable water service flowing and actively help slow and reverse the coronavirus outbreak, it is imperative that water systems and other public sector employers benefit from the same payroll tax credits as their private sector counterparts.

As the voices of the public water sector, we stand ready to assist our communities in this crisis. If you have any further questions, please do not hesitate to contact us.

Sincerely,

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CEO
Rural Community Assistance Partnership

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