



February 17, 2021

The Honorable Dale Kooyenga
Chair, Senate Committee on Financial Institutions and Revenue
Room 310 South
State Capitol, PO Box 7882
Madison, WI 53707

RE: SB2 Senate Amendment 4

Dear Chairman Kooyenga:

As a representative of the 30 million small businesses in America and the nearly 500,000 in Wisconsin, Small Business Majority writes today in support of SB2 Senate Amendment 4, which would bring Wisconsin state tax laws for small businesses in conformity with the CARES Act and federal income taxes regarding small business owners' ability to deduct allowable expenses paid from Paycheck Protection Program (PPP) loans on their state income taxes.

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 80,000 small businesses and 1,000 business and community organizations to advocate for public policy solutions and deliver resources to entrepreneurs that promote equitable small business growth. A key component of our work involves outreach to small business owners on a range of small business issues, including access to capital, workforce issues, healthcare and more.

As we inch closer toward the one-year anniversary of the COVID-19 crisis in the U.S., stories and data from small business owners across the country, and in the State, have illuminated the dire reality of what they continue to face. In fact, our most recent survey from January found 52% of small businesses say that revenues are still down today compared to a year ago.¹ That is why the PPP was and remains such a critical lifeline for Wisconsin's small businesses.

In December, Congress passed the Coronavirus Response and Relief Supplemental Appropriations Act, which clarified that small business assistance, including PPP forgiven funds, are not taxable income and that deductions are allowed for otherwise deductible expenses paid with the proceeds of this small business assistance. Wisconsin should follow suit at the state level—otherwise, small businesses will have to navigate inconsistent tax regulations while trying to keep their doors open and their employees paid. SB2 Senate Amendment 4 would create parity in how PPP funds are treated at both the federal and state level.

I urge you to vote in favor of SB2, which contains Senate Amendment 4, as the amendment in the bill will support Wisconsin's small businesses during this difficult time.

Sincerely,

Geri Aglipay, Midwest Director
Small Business Majority

CC: Sandy Lonergan, Chief of Staff, Senate Committee

¹ Small businesses continue to face closures in 2021, January 2021,
<https://smallbusinessmajority.org/sites/default/files/research-reports/COVID-19-national-small-business-poll.pdf>