



NATIONAL
RESTAURANT
ASSOCIATION

BLUEPRINT for RESTAURANT REVIVAL



July 15, 2020

Helping community cornerstones and their employees
A plan for short-term restaurant survival and long-term industry recovery

More information: RestaurantsAct.com

SHORT-TERM RELIEF TO RESTART THE RESTAURANT INDUSTRY



1. CREATE A RESTAURANT RECOVERY FUND for structured relief to foodservice establishments

Restaurants need a tailored relief measure for immediate liquidity to compensate for lost revenue tied to ongoing closures and restrictions of our operations. Given the evolving reopening "start again, stop again" landscape, the urgency for this recovery solution grows daily.

The National Restaurant Association worked closely with Senators Roger Wicker (R-MS) and Kyrsten Sinema (D-AZ) on legislation to establish a **\$120 billion recovery and revitalization fund** for foodservice or drinking establishments devastated by the coronavirus pandemic.

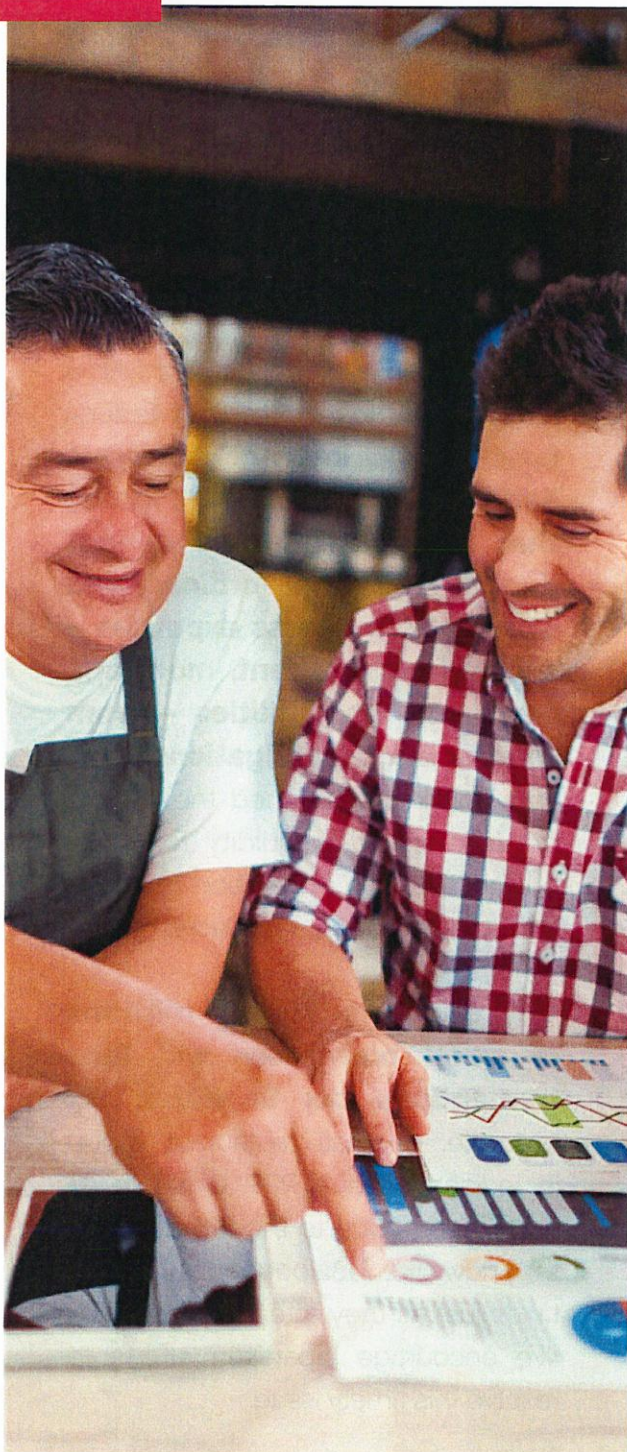
The **"Real Economic Support that Acknowledges Unique Restaurant Assistance Needed to Survive Act" (RESTAURANTS Act), S.4012**, would provide grants from the Treasury Department to eligible entities that own or operate 20 or fewer establishments (together with any affiliated business), regardless of the type of ownership of the locations and whether those locations do business under the same or multiple names.

Grants are capped at \$10 million per eligible entity and **can be used to cover a variety of costs including payroll, benefits, mortgage, rent, supplies, protective equipment, cleaning materials, and other costs.**

We urge the House of Representatives to endorse the Senate version of the RESTAURANTS Act and for both chambers to pass this vital proposal.



SHORT-TERM RELIEF TO RESTART THE RESTAURANT INDUSTRY



2. Enact a **SECOND INSTALLMENT OF THE PAYCHECK PROTECTION PROGRAM (PPP)**

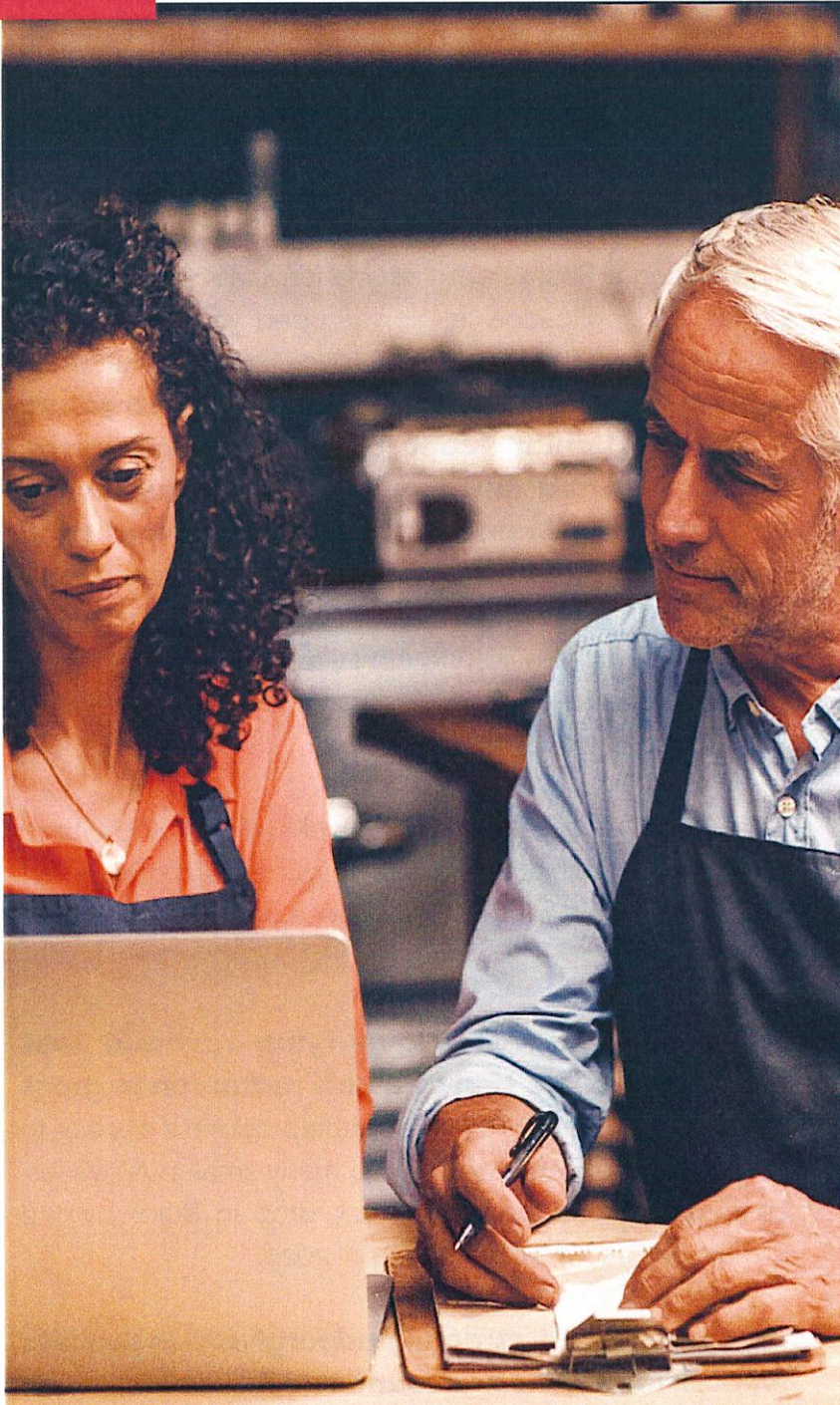
The National Restaurant Association calls for a second round of application eligibility open to entities that received an initial eight-week loan. These loans would **maintain the current PPP regulatory structure – with particular support for small businesses, minority-owned and women-owned businesses, and small businesses in underserved and rural markets.** For the structure of PPP, a second round must preserve both the SBA's "Affiliation Rules for Paycheck Protection Program" issued April 3 and the improvements of the Paycheck Protection Program Flexibility Act (PPPFA) signed into law on June 5.

The initial PPP provided eight weeks of vital short-term relief, but the challenges facing our industry have not gone away and restaurants have exhausted their PPP loans.

We recommend that a **qualifying revenue loss for PPP funds be tied to a 20% reduction in gross receipts.** This new PPP should help address access to credit issues experienced by too many small businesses, contributing to a staggering 41% drop in Black-owned businesses from February to April 2020.

Finally, we call for a **streamlined forgiveness process for both round one and round two PPP loans, which would preserve time and money for restaurants.**

SHORT-TERM RELIEF TO RESTART THE RESTAURANT INDUSTRY

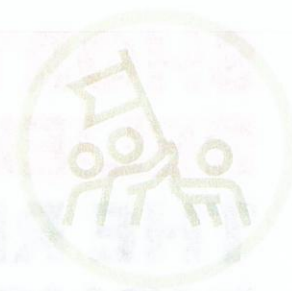


3. Allow business expenses paid with a forgiven PPP loan **TO BE TAX DEDUCTIBLE**

Small businesses must be able to deduct eligible expenses paid with a forgiven PPP loan from their federal taxes. **The Internal Revenue Service (IRS) currently states that small businesses cannot deduct traditional “ordinary and necessary” business expenses – such as payroll, rent, mortgage payments, and utilities – from their federal tax obligations.** Given that Congress designed the PPP to provide essential liquidity for small businesses, this IRS notice must be corrected to reflect legislative intent.

Without this relief, millions of small businesses will face tremendous tax liabilities. For example, a small restaurant group in Indiana used a PPP to retain 54 employees. Due to the IRS decision, they now owe \$182,000 in unexpected taxes just as they attempt to recover. We encourage bipartisan efforts to resolve this timely issue.

SHORT-TERM RELIEF TO RESTART THE RESTAURANT INDUSTRY



4. Create a **LONG-TERM LOAN PROGRAM**

While the PPP provides a critical, short-term bridge for restaurants, additional relief will be needed to help address liquidity issues over a substantially longer time frame. Congress must advance bipartisan solutions to address this issue, helping restaurants rehire, retrain and retain their valued employees. **A long-term loan program should be created that would provide at least six months of operating costs, including payroll, and allow for partial forgiveness** (proportional to a percentage of revenue losses during COVID-19).

The program should have favorable terms such as **deferred payments, low interest rates, a long-term maturity, and the backing of a strong federal guaranty.**

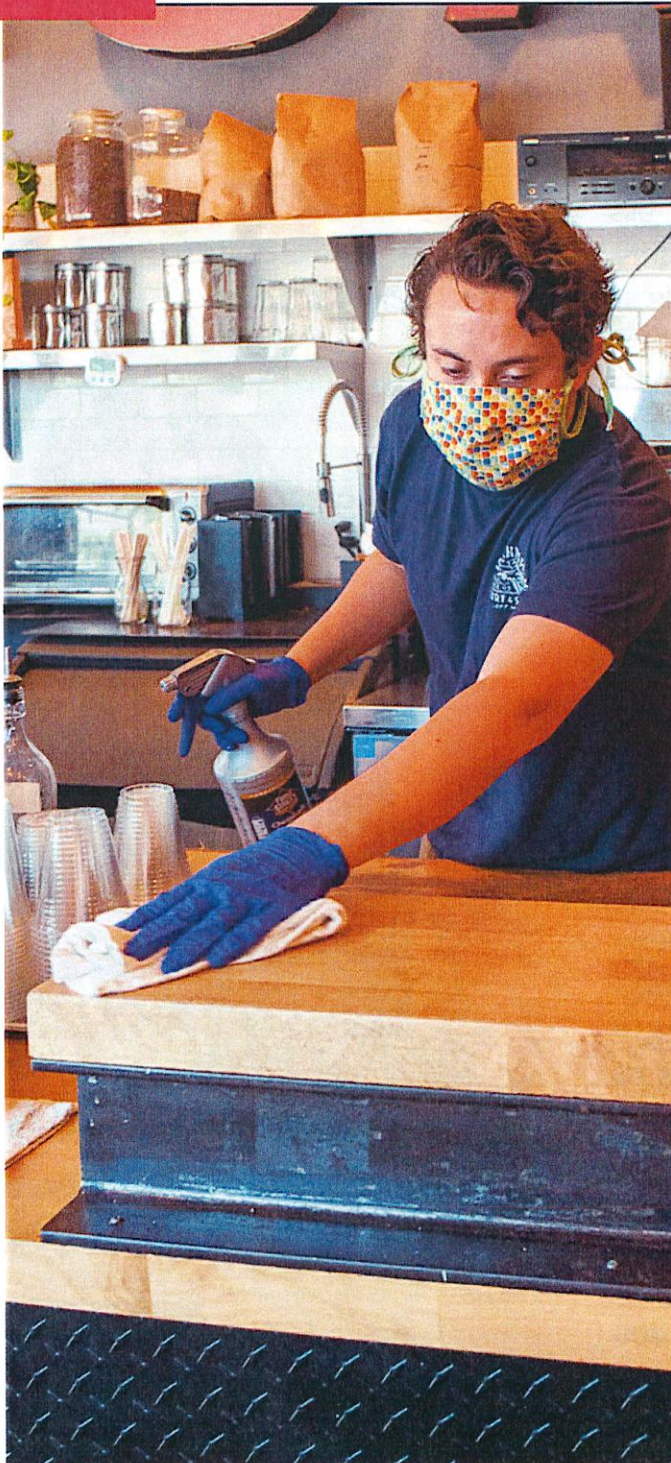
5. Enhance the **EMPLOYEE RETENTION TAX CREDIT (ERTC)**

As regions struggle with COVID-19 outbreaks, the ERTC provides key support for restaurants wanting to keep their employees on payroll during short-term or long-term closure orders. However, **restaurants need expanded access to ERTC for the amount, the duration, and the number of businesses that are eligible.**

Additionally, any legislation should improve **coordination between the ERTC and the PPP so that employers can be eligible for the ERTC after a PPP loan runs out**, ensuring employers access to both programs but with guardrails in place to prevent double-dipping.



SHORT-TERM RELIEF TO RESTART THE RESTAURANT INDUSTRY



6. Bolster funding and improve terms for **ECONOMIC INJURY DISASTER LOANS (EIDLs)**

Restaurants are in dire need of working capital to finance operations, purchase safety and protective equipment, and restore inventory supplies for their customers. While many small businesses have experienced challenges with the EIDL program, restaurants need all options available to manage day-to-day economic headwinds. Congress should **replenish funding for both EIDLs and advance grants, create a new EIDL advance grant for businesses with major revenue reductions due to COVID-19, and offer lower interest rates.**

7. Provide a **TAX CREDIT FOR CUSTOMER AND EMPLOYEE WELLNESS INVESTMENTS**

Restaurants are making significant capital investments in ensuring the safety of our employees and guests, including contactless payment services, modification of physical facilities to accommodate continued social distancing, enhanced sanitization, employee education and training, and the expanded use of personal protective equipment and disposable products. This relief should be designed as a **refundable tax credit to help restaurants shoulder these costs, bolster public confidence, and most importantly, ensure the well-being and safety of employees and customers.**

SHORT-TERM RELIEF TO RESTART THE RESTAURANT INDUSTRY



8. Address **BUSINESS INTERRUPTION CLAIMS** for impacted small businesses

To ensure that the market for pandemic insurance remains available and affordable to businesses in the United States, the Association supports the passage of a federal backstop for pandemic insurance. Before the COVID-19 pandemic, some commercial insurance policies contained exceptions for business interruption or other losses due to a pandemic. But countless policies that did not contain such exceptions have been consistently and improperly denied by insurers, resulting in a growing list of state and federal lawsuits. **The refusal of coverage by insurers has proven devastating for some businesses and their employees. Without federal support, pandemic insurance will be very expensive and difficult to find, putting it out of reach for most businesses.** Its need has been proven by the current COVID-19 crisis.

We urge creation of a federal program to support business losses due to a pandemic.

9. Provide **LIABILITY PROTECTION** for American Businesses

Restaurants are highly regulated at the federal, state, and local level for food safety, hygiene, and sanitation — and additional government rules are being imposed to further protect customers from coronavirus. As we work to reopen our doors and serve local communities, we face unique vulnerabilities from fraudulent or frivolous lawsuits over exposure to COVID-19. **The financial risk of being dragged into court is leading many restaurants to consider shutting down, or diverting resources away from rehiring staff or expanding service options for customers.**

Because the COVID-19 crisis is a global pandemic, and not caused or spread by any one type of business or employee, Congress should enact **temporary and targeted liability protections.** These protections should still **allow for claims based on willful misconduct by bad actors as well as for violations of food, safety and workplace laws.** Liability protections can help provide certainty and predictability for restaurants as they work to regain solid footing.



ENSURE STABILITY OF AMERICA'S FOOD SUPPLY CHAIN FROM FARM TO TABLE

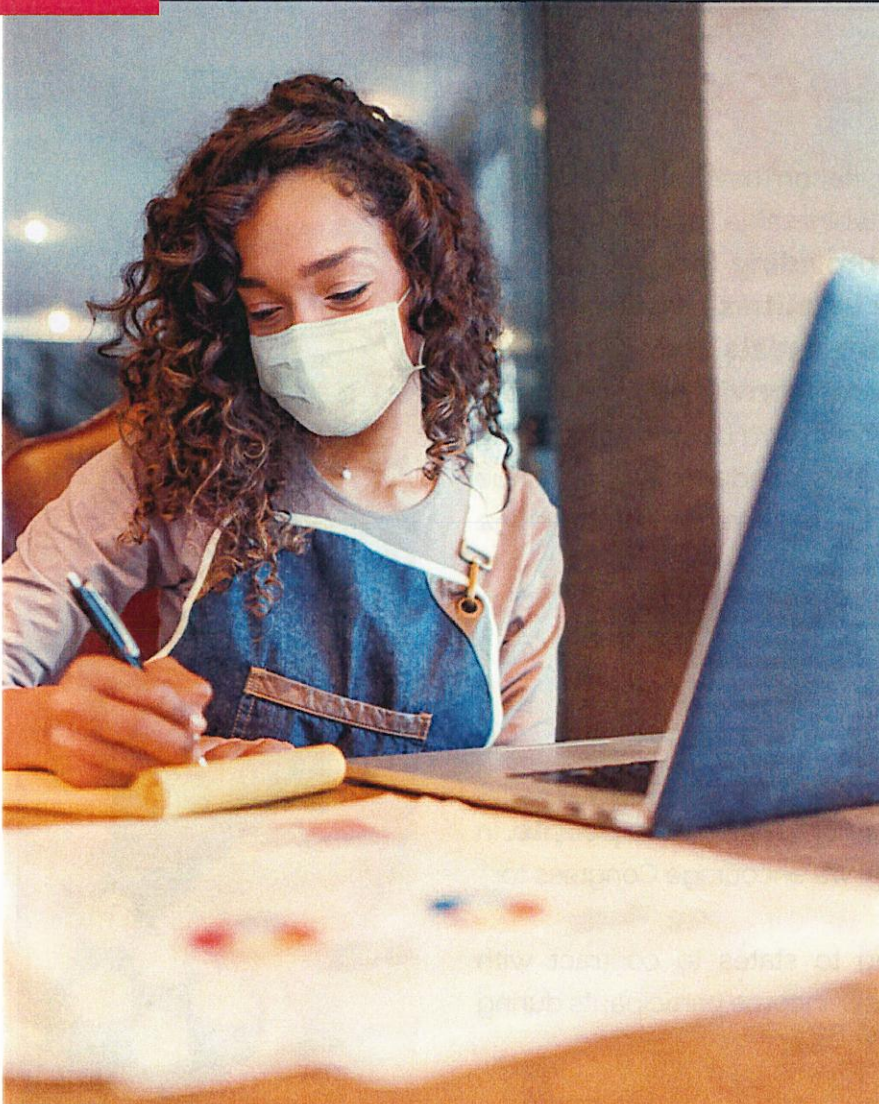


1. Prioritize **ACCESS TO COVID-19 TESTING AND VACCINE DISTRIBUTION** for the food and agriculture supply chain

Our nation's food supply chain is part of the critical infrastructure that has provided Americans with safe, nourishing, and affordable food during this crisis. **To ensure this system can continue to operate safely, we recommend that as more testing becomes available and a vaccine is developed, the Administration prioritize the food and agriculture supply chain, including restaurants, after our nation's health care workers, first responders and high-risk individuals.** Ensuring that adequate testing, timely test results, protective equipment, and vaccines are available to the industry will help us maintain a safe and secure supply chain from farm to table.

We also support initiatives that improve the federal government plans for effective testing of infectious diseases. Our nation is in desperate need of increased government and public health coordination to detect infectious diseases and prevent future outbreaks. As such, we support **modernizing the government's approach to testing and eliminating gaps, which ultimately will help our nation's food supply chain feed American families, especially during times of crisis.**

ENSURE STABILITY OF AMERICA'S FOOD SUPPLY CHAIN FROM FARM TO TABLE



2. Enact **PAYROLL TAX RELIEF FOR ESSENTIAL WORKERS**

Supporting essential workers as they serve the nation during this difficult time is critical to ensure they can continue to fight the war against COVID-19 and keep our food supply chain safe. As such, **tax relief for these essential infrastructure workers in the form of a suspension of federal income and payroll taxes for wages earned** by food and agriculture workers, including restaurant workers, is essential.

Supporting essential workers as they serve the nation during this difficult time will also incentivize their continued commitment to work and keep Americans fed.

HELP RESTAURANTS SUPPORT AT-RISK COMMUNITIES



1. Help restaurants **FEED THEIR COMMUNITIES**

During this crisis, restaurants around the nation have stepped up to feed local communities, especially their vulnerable populations. To continue this important work, we support **providing federal funding to programs accessible by states and localities to partner with restaurants and nonprofits to prepare meals for vulnerable populations including seniors and underprivileged children.** These programs would allow nonprofits, which have been collaborating with restaurants since the beginning of the pandemic, to continue partnering with restaurants to prepare food for these at-risk communities.

2. Increase access to **RESTAURANT MEALS FOR LOW-INCOME AMERICANS**

As the COVID-19 crisis continues to impact our food supply chain through restaurant closures, supply chain shortages and food distribution disruptions, **more access to affordable food is critical for low-income people.** In order to address the issue of increased hunger we encourage Congress to:

1. Create programs that authorize funding to states to contract with restaurants and provide nutrition benefits to low-income participants during the period of the pandemic;
2. Expand the population of people eligible for benefits under the Restaurant Meals Program to ensure that all Supplemental Nutrition Assistance Program (SNAP) participants can access food at restaurants, and make it easier for states and restaurants to participate.

These initiatives would **reduce hunger, particularly among families with children, and lead to economic recovery of local restaurants nationwide.**





COVID-19 IMPACT ON THE ARKANSAS TOURISM INDUSTRY

Tourism is considered Arkansas's 2nd leading industry in terms of economic impact. Tourism and travel generated spending will be critical to powering Arkansas's economic recovery.

The coronavirus pandemic has devastated the traveling world, and tourism in Arkansas is no exception. Tourism was one of the fastest-growing industries in the world – but the difficult reality is the travel industry has been the hardest hit industry when it comes to the economic effects of this virus, and will be one of the last to recover.

Additional support for this industry is desperately needed.



LODGING INDUSTRY

- **Estimated \$60.8M loss in Arkansas's state & local tax revenue (Source: Oxford Economics)**
- **70% of hotel employees have been laid off or furloughed (Source: AHLA)**
- **Since the state of Kansas declared Arkansas a "Hot Spot" hundreds of hotel room nights have been canceled. A large presence of soccer, baseball and softball teams cancelled reservations at multiple properties in Rogers, Fayetteville & Bentonville. Buffalo River Concessioners around the Harrison area, along with businesses in Eureka Springs have also reported several cancellations from Kansas guests.**

LOCAL STORIES:

Conway Management – owns and/or operates 5 lodging properties and 4 restaurants in Little Rock:

- More than 50% of staff members have been laid off, and almost 90% of their future group and individual bookings have been cancelled. Hotel occupancy losses are up 50-70% compared to last year and revenue losses are at 60-80% compared to last year. The business interruption of this magnitude will not just affect their portfolio for this year, but at least the next couple of years. The negative economic impact also creates an issue for future growth.

Yogesh Asundani, Principal

Tru by Hilton - West Memphis:

- Occupancy has declined to 25% since March 20. Weekends since Memorial Day have seen growth to 65% occupancy. Most lost business comes from cancelled group travel due to event cancellations and travel restrictions.

Shawna Rhinehart, General Manager

Holiday Inn Presidential – Little Rock:

- Revenues have been down 80%, 70% & 60% in April through June. While they were fortunate to be funded quickly through the PPP programs, the funds were exhausted for payroll by the end of May. They had 60 employees when COVID-19 hit and dropped to 25 overnight.

Nick Royce, Owner

Fairfield Inn & Suites – Rogers:

- The hotel closed for 70 days between March and June. During this time, 99% of the staff was furloughed. Once the market started picking up, they were able to open again on June 5th but still not back to full staffing levels.

Mary Wood, General Manager

Statehouse Convention Center, Robinson Center, & First Security Amphitheater (Little Rock):

- There have been over 215 event cancellations in 2020, representing a direct loss of over \$1.5M in rental revenue and more than \$23M in economic impact to the local community.

Jim Rice, Sr. Vice President and COO

Hot Springs Convention Center:

- 75 Convention Center bookings have canceled between March 13 and July 31. They are still seeing cancellations beyond July, with some into November and December.

Steve Arrison, CEO

Simmons Bank Arena (formerly Verizon) - North Little Rock:

- They have cancelled or postponed almost all events for 2020. The cancellations cost \$472,000 in direct revenue and the postponements have cost \$1,300,000 for 2020. As long as social distancing is required the arena's maximum capacity has been reduced to 3,250. They have furloughed 13 of their 25 full-time employees and their part-timers have had no work since March 13. Annual sales tax collections are usually \$1,000,000 from the arena's operation. This year it will probably be less than \$200,000.

Michael Marion, General Manager

Wal-Mart Amp – Rogers:

- To date the Walmart AMP reports a loss of \$17 million due to the cancellation of its 2020 season by the COVID-19 pandemic.

Taylor Speegle, Vice President of Development



DMO (DESTINATION MARKETING ORGANIZATIONS) CVB (CONVENTION & VISITORS BUREAUS)

Little Rock Convention & Visitors Bureau (LRCVB):

- Coming off a very strong 2019, after the first two months of 2020, total revenue exceeded 2019 by 10.6%. This included tax revenue at restaurants and hotels as well as facility rentals. As of May 31, YTD revenues are now down more than 25% over 2019, with lodging revenue down 80% in the month of May.
- Estimating a loss in total revenue of \$6.2M this year.
- Furloughed 65 full time employees

Gretchen Hall, President and CEO

Eureka Springs CVB:

- The 3% A&P tax on lodging & food was down 44% in April and down 83.1% in May.

Gina Rambo, Interim Director

Visit Hot Springs:

- Furloughed 47 of their 60 full time employees (78%) since the pandemic hit. Since March, seven employees have been permanently laid off. Total A&P tax collections were down 54% for the month of April.

Steve Arrison, CEO

Harrison CVB:

- Spring and summer sports tourism have been hard hit. Attempts are being made to mitigate losses for July and August, but health restrictions and consumer confidence is still hindering efforts. The economic impact to Harrison from lost sporting events this year is roughly \$1.8 million YTD. Sporting events lost include soccer, basketball and baseball.
- For Harrison's hotel partners, March sales were down \$283,300 and April sales were down \$294,000 vs. the same months in 2019.
- For restaurant partners, March sales were down \$672,700 and April sales were down \$1,072,500 vs. the same months in 2019.

Matt Bell, Executive Director

Eldorado Murphy Arts District (MAD):

- Due to COVID, MAD had to postpone and/or cancel upwards of thirty concerts. Their restaurant has been shuttered since mid-March. Beyond ticket sales, the restaurant was a major source of revenue for MAD. The impact of these delays and cancelations is reflected in the loss of on-site food and beverage revenue and hotel room nights, sales taxes, and other ancillary spending in the community. They are hopeful to reopen the restaurant as soon as it is safe. MAD has concerts on the calendar for September and October pending reopening phase guidelines.

Lisaann Dupont, CMO

Big Red Dog Productions – Little Rock:

- When live music venues were closed on March 15th, owner Susan Erwin Prose lost 100% of her income. The company quickly and creatively pivoted to online streaming and helped other colleagues navigate how to do the same, connecting with people all across the world in the process. They were able to receive PPP funding as well as other grants that have allowed them to sustain the crisis.

Susan Erwin Prowse, Owner

Arkansas Travelers Baseball – North Little Rock:

- With the announcement that minor league baseball will not conduct a season this year, Central Arkansas will feel the effect. Attendance during a normal season totals approximately 315,000. Over 4,000 hotel room nights from visiting teams, umpires, baseball scouts, Texas League officials and Seattle Mariners officials will also be lost. Additionally, the Travs organization will lose approximately \$6.7M in revenue. Northwest Arkansas will likely see similar losses due to the canceled season for the Naturals.

Rusty Meeks, Assistant General Manager



TAKE ACTION TO HELP THE TRAVEL INDUSTRY



The last several months have been devastating not only for our workers but also for our businesses—83% of which are small businesses. It is critically important that the hospitality & tourism industry receive some relief, protection and stimulus in order to survive this devastating pandemic.

RELIEF

Appropriate a portion of the CARES Act funding to pay for an Arkansas Ready for Travel grant program. These funds would be available to private and public entities within the hospitality and tourism business sectors to cover expenses such as:

- Business interruption stipend (for businesses negatively impacted by state or local order directly related to Covid-19, for example closing dining rooms, restricting out-of-state travel, limiting event size to 50 or fewer.)
- Business stimulation stipend (for marketing, incentives to generate new business)

PROTECTION

Please provide protection against unemployment insurance rate increases, and protection from commercial evictions and foreclosures.

STIMULUS

Please consider stimulus measures such as:

- Create temporary tax free days for travel activity.
- Provide additional eligibility for the Ready for Business program that offered funds for personal protective equipment (PPE) purchases.
- Create a loan fund through ADFA with low-interest and long-term payback.
- Waive liquor permit renewal fees for a period.
- Ask state bank examiners to continue to provide leniency.



Hotel Industry Relief & Recovery Policy Options

The following options represent a growing list of policies for state and local governments to consider for the short-term relief and longer-term recovery of the hotel industry. Some policies may not be adaptable to certain jurisdictions.

- **Tax Flexibility**

- Retroactive to March 1, 2020, institute a three-month deferral of state and local indirect taxes with waiver of interest and penalties. The state and local indirect taxes include but are not limited to hotel occupancy tax, sales tax, use tax, excise tax, gross receipts tax, etc. As part of this deferral, also defer the corresponding monthly tax filing related to the state and local indirect taxes.
- Suspension of any requirement to prepay X% of estimated sales tax liability based on collections from same month in previous year.
- Retroactive to March 1, 2020, institute a six-month deferral of property tax payment with waiver of interest and penalties.
- Retroactive to March 1, 2020, X-month deferment of state income taxes, with no interest and penalties on employer share of payroll tax.
- Retroactive to March 1, 2020, authorize 2020 employer state payroll deferral, with 50 percent of the liability due in 2021 and 50 percent of the liability due in 2022.
- Authorize state payroll tax credit, similar to federal tax credit, for payment of leave mandated by Families First Act.
- Allow corporations experiencing coronavirus-related financial distress to defer 2020 estimated income tax liability to July 15, 2020 with waiver of interest and penalties.
- Allow a five year-carryback of the Net Operating Loss (NOL) deduction incurred in 2018, 2019 or 2020, and no limitation on percentage utilization in a given year.
- Business interest relief which conforms to Section 163(j) of the Internal Revenue Code.

- **Direct Financial Relief**

- Rent or mortgage payment forbearance/abatement, no commercial evictions for X days.
- Business insurance relief
- Bridge loans (like [DE](#) and [FL](#)) and grant programs (like IL)
- Hospitality Industry Recovery Fund (similar to March 31, 2020 [federal request](#))

- **Job Protection and Labor**

- Unemployment Insurance – clarity and transparency around processes (such as: access improvements, online applications and instructions, appeals process, etc.)
- Employee Reinstatement Credit – to expedite process of bringing associates back onto the payrolls (adapt from federal employee retention credit language)
- Deferred implementation of new business mandates (e.g. predictive scheduling)



July 20, 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Chuck Schumer
Democratic Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

Re: Hotel Industry Priorities for COVID 4

Dear Speaker Pelosi, Leader McConnell, Leader Schumer & Leader McCarthy:

The hotel industry has been decimated by the COVID-19 health crisis. According to the Bureau of Labor Statistics (BLS)¹, the leisure and hospitality sector has lost 4.8 million jobs since February. That is more jobs than construction, manufacturing, retail, education, and health services combined. The human toll on our employees and our workforce is devastating, with less than half currently employed. The economic impact to our industry is equally as dramatic, estimated to be **nine** times greater than the September 11th terrorist attacks. According to CBRE and STR², the industry is expected to lose more than fifty percent of its total revenue in 2020 – which would exceed \$120 billion.

As Congress considers additional legislation to address the ongoing health crisis and economic fallout from COVID-19, the hotel industry respectfully requests you to consider the following priorities:

- I. **Provide additional liquidity for severely impacted businesses through a targeted extension of the Paycheck Protection Program (PPP).** Congress should recapitalize the PPP loan program and establish clear parameters limiting access to those businesses that can prove severe economic loss year over year. Further, Congress should increase the maximum loan amount to ensure that it covers both payroll and the servicing of debt, property taxes, insurance, and utilities necessary to keep a hotel in business. Hotels need significant additional liquidity to bring staff back and keep the doors open.
- II. **Create hotel industry relief opportunities utilizing Federal Reserve and Treasury authority.**
 - a. **Establish a Commercial Mortgage Backed Securities (CMBS) market relief fund, with a specific focus on the hotel industry, as part of the Federal Reserve's lending options.** Hoteliers with CMBS loans account for nearly \$90 billion in debt and have been largely unable to secure forbearance from their loan servicers due to the unique challenges in obtaining modification approvals from the varied holders of securitized mortgages. As payments come due, hoteliers are rapidly facing default on their obligations; according to Trepp³, nearly 25% of hotel CMBS borrowers were delinquent on their payments in June. Pervasive default and foreclosure on hotel CMBS debt would be disastrous for the commercial real estate market at large, as well as the holders of that debt, including pension plans and other investors.

¹ <https://www.bls.gov/iag/tgs/iag70.htm#workforce>

² <https://str.com/press-release/us-hotel-demand-not-expected-fully-recover-until-2023>

³ <https://info.trepp.com/trepp-talk/cmbs-delinquency-rate-surges-for-the-third-month-nears-all-time-high>

b. Make structural changes to the Main Street Lending Facility established under the CARES Act to ensure hotel companies can access to the program. Due to the hotel industry's asset-heavy business model, hotels are effectively shut out from utilizing this valuable program because of the rigid EBITDA leverage test. Most hotels are financed via mortgage debt, which means that their total outstanding debt is generally already above the maximum six-times EBITDA threshold established in the Main Street Lending Facility.

III. Include Limited Liability Language for Hotels and Other Places of Public

Accommodation. Hotels have been deemed essential businesses by the Cybersecurity & Infrastructure Security Agency (CISA) in order to ensure that lodging is available to first responders and health care workers on the front line of the COVID-19 health crisis. Further, many hotels have been utilized by state and local governments as short-term health care facilities or shelter for vulnerable populations, helping to lessen the burden placed on hospitals across the country. As an industry, we have long prioritized the health and safety of our guests and employees. AHLA's "[Safe Stay](#)" protocols implement enhanced cleaning procedures in response to the pandemic. Any hotel that reopens and follows proper public health guidance to protect employees and guests should be afforded a limited safe harbor from exposure liability related to COVID-19.

IV. Ensure targeted tax provisions are included that will benefit severely injured businesses and their employees.

- a. Tax credits for Capital Expenditures or Expenses to Meet the Industry's [Safe Stay Initiative](#):** The hotel industry is taking extraordinary measures to ensure that our properties across the country are healthy, clean and sanitized for both our guests and our employees. Hotels, which are facing little revenue and demand, will need assistance to offset these new substantial costs.
- b. Enhance the Employee Retention Credit (ERC):** For those hotels that have maintained salaries and employer-paid health insurance through significant business declines, an expansion of the ERC from the CARES Act would provide a critical lifeline.
- c. Create a Temporary Travel Tax Credit:** Qualified travel expenses should include any expense over \$50 that is incurred while traveling away from home in the U.S., with explicit reference to the expense of meals, lodging, recreation, transportation, amusement or entertainment, business meetings or events, and gasoline.
- d. Exempt taxation on phantom income from loan modification, forgiveness or cancelation:** Many hoteliers could be faced with significant tax liability as a result of losing their asset due to COVID-19.
- e. Allow full deductibility of the Food and Entertainment Business Expense.**

On behalf of the domestic hotel industry, I thank you for your leadership during this unprecedented time and for your consideration of these priorities for the hotel industry. Our industry stands ready to work with you in this critical moment to help stabilize our economy and support our impacted employees.

Sincerely,



Brian Crawford
Executive Vice President, Government Affairs