



National Association
of Professional Employer Organizations

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February 6, 2023

The Honorable **NAME**
United States Senate
Washington, D.C. 20510

Dear Sen. **LAST NAME:**

I am writing to draw your attention to an issue that is adversely impacting small businesses in your state.

As you are likely aware, hundreds of thousands of small businesses are still waiting to receive the Employee Retention Tax Credit (ERTC) funds they are entitled to – and, in many cases, desperately need – due to an enormous processing backlog at the IRS.

We represent the professional employer organization (PEO) industry. PEOs provide payroll, compliance, HR, and benefits assistance to small and mid-size businesses across the country, including in your state. They have played a critical role over the past three years in helping small businesses access the government programs and funds they've needed to weather unprecedented challenges. This includes the ERTC, aimed at helping small businesses survive the pandemic. Millions of small businesses, including thousands of PEO clients, applied for these funds.

Today, hundreds of thousands of those businesses across America and in your state have not received their funds due to a staggering backlog at the IRS. Some businesses have shut down waiting for these funds to arrive. As of January 23, there are more than 468,000 outstanding Forms 941-X, the application used by small businesses to claim vital employee retention credit. For perspective, that figure stood at 135,000 in August 2022.

We, along with our members, have sent repeated letters to the IRS, to no avail. We are asking you to please reach out to the IRS to urge them to clear out this backlog and get these monies to small businesses in need. If you could circle back with us to report any feedback or progress, we would greatly appreciate it.

Thank you in advance for your help for America's small businesses.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat Cleary", is written over a horizontal line.

Pat Cleary
President and CEO