



Pennsylvania Association of
Nonprofit Organizations

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The Honorable Brian Fitzpatrick
United States House of Representatives
271 Cannon House Office Building
Washington, DC 20515

September 30, 2021

RE: Budget Reconciliation and PA Charitable Nonprofits

Dear Representative Fitzpatrick:

I write on behalf of the Pennsylvania Association of Nonprofit Organizations to express our respect and admiration for your tenacity in advancing the interests of the people of Pennsylvania, whom you and the charitable nonprofits of our state jointly serve. Like most Pennsylvanians, we reject the criticisms that you are serving as a spoiler or pursuing a personal agenda in the ongoing negotiations over the size and scope of the budget reconciliation legislation. Reasonable people can disagree on the details, but we are glad and honored that you are there – in the middle of the negotiations – fighting to uphold our values.

In this letter, we ask that you fight on behalf of charitable nonprofits by working to ensure that these employers remain eligible to utilize the Employee Retention Tax Credit through the fourth quarter of this year and into 2022. We understand that you have supported the general repeal of the ERTC for the last three months of 2021 as one of the provisions of the bipartisan Infrastructure Investment and Jobs Act, H.R. 3684. We do not question that commitment in the general sense, but we seek an exception for charitable organizations because of our urgent and ongoing needs.

Prior to the pandemic, Pennsylvania nonprofits employed more than 800,000 individuals, which at the time represented 16 percent of the private workforce. No data exist at the state level to indicate how many Pennsylvania nonprofit workers are currently on the payroll, but nationwide, job losses in the nonprofit sector still exceed 550,000. That number has improved in recent months, and it is certain that the ERTC has helped many nonprofits in the state bring back or retain staff that they otherwise would have had to lay off.

The ERTC has allowed nonprofits to retain staff and, with the extension through the fourth quarter enacted in the American Rescue Plan Act, enabled charitable organizations to plan ahead and reopen for the fall to address educational, cultural, and direct services needs. Taking away the ERTC before the end of the year will absolutely lead to layoffs and a reduction of vital services our fellow residents need. Extending the ERTC into 2022 and adjusting the definition of “gross receipts” to more realistically reflect how nonprofits operate would ensure that charitable organizations continue to meet the challenges that Pennsylvanians will face well after the pandemic is finally beaten.

Charitable nonprofits have stretched beyond all reasonable measures and continue to advance their missions despite unfathomable challenges. However, as explained in the attached letter from many national nonprofits, the relief provided by Congress for charitable organizations has fallen short, particularly in comparison to assistance provided to for-profit businesses. By extending the Employee Retention Tax Credit for charitable employers, you can correct this disparity while helping our communities recover.

We appreciate your attention to this matter. We ask that you advance the interests of our communities’ charitable nonprofits and those they serve by negotiating the extension and expansion of the Employee



Retention Tax Credit in reconciliation and other legislation on which you are working. We stand ready to answer any questions and to support you in this effort.

Sincerely,

A handwritten signature in black ink that reads "Anne L. Gingerich". The signature is written in a cursive, flowing style.

Anne L. Gingerich
PANO, Executive Director
717-839-6569
anne@pano.org

Attachment