November 23, 2021

The Honorable Ron Wyden  
Chairman  
Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, DC 20510  

The Honorable Mike Crapo  
Ranking Member  
Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, DC 20510  

Dear Chairman Wyden and Ranking Member Crapo:

The motorcoach, school bus, and passenger vessel industries have been devastated by the COVID-19 pandemic. Many of these companies are still struggling to get back to business as normal as the coronavirus is still limiting travel and entertainment opportunities. The December 2020 COVID relief package through the Coronavirus Economic Relief for Transportation Services (CERTS) Act provided invaluable support to these industries and their workers. However, when this provision was enacted, it failed to afford grants under the CERTS program the same tax treatment as other pandemic business assistance programs.

The Paycheck Protection Program (PPP), Shuttered Venue Operators Grant (SVOG), and the Restaurant Revitalization Fund (RRF) grants were all made non-taxable while all related business expenses remain fully deductible. However, the CERTS Act grants are taxable. We know that the Senate Finance Committee would have worked to provide similar tax treatment for this program if the matter was brought to the Committee’s attention at the time. These funds were intended to be emergency relief and should be treated the same as other coronavirus relief funds, which are exempt from tax while related business expenses remain deductible. This clarification would help simplify tax compliance for these industries, many of which are small and family businesses, as well as provide parity with other industries hard hit by the pandemic.

These industries provide essential transportation services to the public and need to remain in business. These businesses were some of the first to shut down in 2020 and will be among the last to fully recover. The CERTS Act grants, while extremely beneficial, only replaced about twenty percent of lost revenue from 2020. With the Delta variant leading many commuters and travelers to continue to stay at home, the economic impacts on these industries will be prolonged. Many operators do not expect to return to “normal” business until sometime in 2023. Requiring these struggling businesses to pay back a large portion of these emergency grants in taxes will further delay their recovery.

Thank you for your time and attention to helping these hard-hit industries recover from the pandemic by exempting CERTS grant funding from taxable income on the same terms as similar programs. We look forward to working with you to fix this inequity.
Sincerely,

Chuck Grassley
Charles E. Grassley
United States Senator

Bob Casey
Robert P. Casey, Jr.
United States Senator

Marsha Blackburn
Marsha Blackburn
United States Senator

Richard Blumenthal
Richard Blumenthal
United States Senator

Steve Daines
Steve Daines
United States Senator

Chris Van Hollen
Chris Van Hollen
United States Senator

Susan M. Collins
Susan M. Collins
United States Senator

Jeanne Shaheen
Jeanne Shaheen
United States Senator

Mike Rounds
Mike Rounds
United States Senator

Jack Reed
Jack Reed
United States Senator
Roy Blunt  
United States Senator

Joni K. Ernst  
United States Senator

Roger Wicker  
United States Senator

Deb Fischer  
United States Senator

Bill Hagerty  
United States Senator

Alex Padilla  
United States Senator

Cory A. Booker  
United States Senator

Margaret Wood Hassan  
United States Senator

Amy Klobuchar  
United States Senator

Jacky Rosen  
United States Senator
Christopher A. Coons
United States Senator