

Congress of the United States

Washington, DC 20515

December 1, 2023

The Honorable Daniel Werfel
Commissioner
Internal Revenue Service
U.S. Department of the Treasury
1111 Constitution Avenue, Room 3241
Washington, DC, 20224

Dear Commissioner Werfel,

We write to express concerns surrounding the current moratorium on Employee Retention Tax Credit (ERTC) claims and the potentially damaging impact this pause may place on Colorado businesses and workers.

On September 24, the Internal Revenue Service (IRS) announced an immediate moratorium on processing new ERTC claims until January 1, 2024. This prolonged waiting time to process both new and existing ERTC claims is potentially placing a significant economic burden on many small businesses in our state.


By creating the ERTC in the 2020 *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, Congress helped small businesses by providing them funds so as not to lay off workers throughout the COVID-19 pandemic. Many Colorado businesses applied for and were under the impression that they were approved for an ERTC credit when their Form 941 tax credit was processed. The businesses then planned and operated under the impression that a tax credit would be issued. However, this moratorium provides significant uncertainty to these small businesses who now face potential financial distress because of governmental inaction.

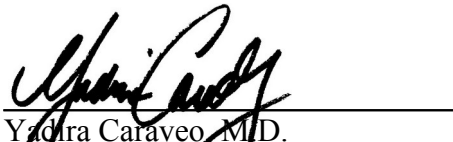
We recognize the important purpose of the IRS' current moratorium and thank you for the work done to address the current backlog and large number of improperly-filed, ineligible, and even fraudulent ERTC claims. It has been reported that review times for existing ETRC claims will go from a standard processing goal of 90 days to 180 days, with even longer delays if the claim faces further review or audit. However, many employers in Colorado have yet to hear any update on the status of their ERTC claim. Businesses have contacted our offices regarding applications submitted in 2021 that have still yet to receive a response.

Thank you for giving your full and fair consideration of this request in accordance with all applicable rules, regulations, laws, and guidelines. We look forward to your attention to this inquiry.

Sincerely,


Brittany Pettersen
Member of Congress


Joe Neguse
Member of Congress


Yadira Caraveo, M.D.
Member of Congress


Jason Crow
Member of Congress


Diana DeGette
Member of Congress