



March 9, 2021

The Honorable Charles Schumer  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

**RE: Request for Legislative Action on Paycheck Protection Program Deadline Extension**

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi, and Minority Leader McCarthy:

The American Institute of CPAs (AICPA) thanks you for your continued efforts on the Paycheck Protection Program (PPP), which has helped millions of small businesses and not-for-profits by providing much needed support at this critical time. The 44,000 CPA firms the AICPA represents have a significant role in assisting millions of small businesses navigate the PPP. However, numerous significant PPP system issues and process changes are creating confusion for eligible organizations, their lenders, and our members who are working closely with PPP participants and lenders.

Compounding the confusion and stress, CPA practitioners are facing unprecedented work compression issues as they assist clients with PPP applications. These stressors include navigating client filings for the employee retention tax credit, guidance for which remains unclear, as well as preparing 2020 tax returns in a remote environment while COVID remains a pressing public health issue. Eligible organizations, particularly small and underserved businesses, and their advisors need more time to prepare PPP applications for submission. **With the PPP application deadline approaching on March 31, 2021, we urge Congress to extend the program application period by at least 60 days while remaining mindful of how an extended PPP deadline would interact with upcoming tax compliance deadlines.**

As trusted advisors to the small business community, accounting professionals worked diligently for nearly a year to help eligible borrowers appropriately and successfully apply for PPP loans. To help our members understand the program's benefits and challenges, the AICPA has organized regular AICPA Town Halls on the latest PPP developments;<sup>1</sup> created calculators for

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<sup>1</sup> AICPA Town Hall Series <https://www.aicpa.org/news/aicpatv.6237282791001.html/p/1667768385533799276/>

PPP loan applications and PPP loan forgiveness;<sup>2</sup> and provided valuable PPP resources and recommendations via a dedicated webpage that is updated by technical experts within the AICPA. Our profession has seen firsthand how this federal program has had a meaningful impact on small business survival. New data and informal surveys show that CPA firms are helping many small businesses – those clients who have less than 10 employees – successfully apply for the PPP.

Distressingly, smaller businesses' ability to successfully apply in time for the current round of PPP funding is in jeopardy because of system problems, operational program changes, and recent Administration guidance. Those issues include:

- Acceptance of Eligible Draw One and Draw Two applications into the Small Business Administration (SBA) E-Tran system due to validation checks.<sup>3</sup> CPAs supporting small business applications are encountering countless examples where false error codes tied to validation checks are delaying critical help for small businesses.
- SBA processing and resolution delays for applications successfully submitted into the E-Tran system.
- Administration changes intended to prioritize PPP loans for small and under-served businesses. The changes are important to help those most in need, but last-minute guidance allowing some self-employed individuals to use a new, more generous PPP loan calculation unfairly impacts sole proprietorships that received a smaller PPP loan than which they would now be eligible. Critically, the change also gives some small businesses less than two weeks to submit a complete and accurate application.<sup>4</sup>

CPAs are working diligently to advise and assist their clients through an unusual and uniquely difficult tax filing season, with the added pressure and time constraints of working to assist small businesses with PPP applications and the need to file amended payroll tax returns for the Employee Retention Credit (ERC). Without an extension to the March 31 PPP application deadline, businesses, non-profits and the CPAs that advise them will struggle to get eligible applications submitted and funded.

The AICPA also supports an extension of this season's tax filing and payment deadline from April 15 to June 15, citing a delayed start to the 2020 filing season; a second round of PPP applications requiring practitioners to assist small business clients; changes to the ERC; and IRS service issues.<sup>5</sup> In that same vein, extending the PPP application deadline from March 31 to May

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<sup>2</sup> AICPA Offers Loan Forgiveness Calculator for Paycheck Protection Program

<https://www.aicpa.org/press/pressreleases/2020/aicpa-offers-loan-forgiveness-calculator-for-coronavirus-ppp.html>

<sup>3</sup> AICPA Urges the Small Business Administration to Address Small Businesses' Significant Challenges with PPP Loan Application System <https://future.aicpa.org/news/article/aicpa-urges-the-small-business-administration>

<sup>4</sup> AICPA Says Sole Proprietors Are Unfairly Impacted by PPP Deadline and Latest SBA Guidance

<https://future.aicpa.org/news/article/aicpa-says-sole-proprietors-are-unfairly-impacted-by-ppp-deadline-and-latest> ml

<sup>5</sup> AICPA Comments on Postponement for the Filing and Payment Deadline for the 2020 Tax Year

<https://www.aicpa.org/content/dam/aicpa/advocacy/tax/downloadabledocuments/56175896-filing-deadline-for-the-2020-tax-year-final.pdf>

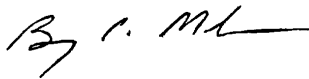
31, while also delaying the April 15 tax filing and payment deadline to June 15, enables businesses the time to apply for PPP loans and ease workload compression issues for the practitioners who support them.

Thank you for your continued work on PPP to ensure this aid reaches those small businesses and non-profits desperately in need of economic relief. The AICPA and our members continue to be deeply committed to ensuring the success of this program, and we welcome even more open and extensive public-private coordination on these matters.

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The AICPA is the world's largest member association representing the CPA profession, with more than 431,000 members in the United States and worldwide, and a history of serving the public interest since 1887. Our members advise clients on federal, state and international tax matters and prepare income and other tax returns for millions of Americans. Our members provide services to individuals, not-for-profit organizations, small and medium-sized businesses, as well as America's largest businesses. If you have any questions, please contact Lauren Pfingstag, AICPA Director - Congressional and Political Affairs, at (407) 257-0607 or [lauren.pfingstag@aicpa-cima.com](mailto:lauren.pfingstag@aicpa-cima.com).

Sincerely,



Barry C. Melancon, CPA, CGMA  
President and CEO, AICPA

cc: The Honorable Ben Cardin, Chairman, U.S. Senate Committee on Small Business and Entrepreneurship  
The Honorable Nydia Velázquez, Chairwoman, U.S. House Committee on Small Business  
The Honorable Rand Paul, Ranking Member, U.S. Senate Committee on Small Business and Entrepreneurship  
The Honorable Blaine Luetkemeyer, Ranking Member, U.S. House Committee on Small Business

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