
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 48 Session of
2021

INTRODUCED BY CIRESI, BURGOS, FREEMAN, BOBACK, SANCHEZ,
HOHENSTEIN, MADDEN, HILL-EVANS, ISAACSON, HOWARD, GALLOWAY,
MALAGARI, SAPPEY, SCHLOSSBERG, LONGIETTI, DeLUCA, ROWE,
DRISCOLL, D. WILLIAMS, PASHINSKI, NEILSON, O'MARA AND YOUNG,
FEBRUARY 9, 2021

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 9, 2021

A RESOLUTION

1 Urging the Congress of the United States to amend the Internal
2 Revenue Code of 1986 to exempt economic relief for small
3 businesses under the CARES Act from Federal taxation.

4 WHEREAS, The public health crisis caused by the COVID-19
5 pandemic has dramatically impacted the economy in this
6 Commonwealth and throughout our nation; and

7 WHEREAS, The economic impact of the COVID-19 pandemic
8 includes increased unemployment, rising business closures, a
9 falling gross domestic product and other devastating economic
10 consequences; and

11 WHEREAS, Small businesses have been hit particularly hard by
12 the challenges presented by the COVID-19 pandemic; and

13 WHEREAS, A comprehensive, nationwide survey of small business
14 owners found that about 74% of small business owners have taken
15 on debt to cope with the financial losses caused by the COVID-19
16 pandemic; and

17 WHEREAS, Of the 603 small business owners surveyed in this

1 Commonwealth in April of 2020, 63% reported that their
2 businesses are at risk of closing permanently and nearly 80% saw
3 their revenues decrease by more than 50%; and

4 WHEREAS, As a key driver of economic growth and employment,
5 successful small businesses play an important role in the
6 economic recovery of this Commonwealth and the entire United
7 States; and

8 WHEREAS, This Commonwealth received \$2.6 billion in Federal
9 funding under the Coronavirus Aid, Relief, and Economic Security
10 Act (CARES Act); and

11 WHEREAS, Two hundred twenty-five million dollars of the CARES
12 Act funding was allocated to the Department of Community and
13 Economic Development for the purpose of the COVID-19 Relief
14 Pennsylvania Statewide Small Business Assistance program, which
15 is a program that distributes grants ranging from \$5,000 to
16 \$50,000 to small businesses that have been financially impacted
17 by the COVID-19 pandemic; and

18 WHEREAS, Thousands of these grants have been distributed
19 across this Commonwealth, and at least 50% of the grants were
20 awarded to historically disadvantaged small businesses, which
21 are small businesses that are at least 51% owned and operated by
22 individuals who are African American, Hispanic or Latino
23 American, Native American, Asian American or Pacific Islander
24 American; and

25 WHEREAS, This Federal funding has been essential in helping
26 small businesses survive during the COVID-19 pandemic by
27 assisting with operating expenses, technical assistance and debt
28 relief; and

29 WHEREAS, However, the Internal Revenue Service has announced
30 that Federal grants to a small business under the CARES Act will

1 be included in the business's gross income and subject to
2 Federal taxation; and

3 WHEREAS, These Federal grants are taxable due to changes made
4 to the Internal Revenue Code of 1986 by the Tax Cuts and Jobs
5 Act of 2017; and

6 WHEREAS, Small businesses in this Commonwealth should not be
7 punished for receiving much-needed economic relief from the
8 Federal Government by being forced to pay more in Federal taxes;
9 therefore be it

10 RESOLVED, That the House of Representatives of the
11 Commonwealth of Pennsylvania urge the Congress of the United
12 States to amend the Internal Revenue Code of 1986 to exempt
13 economic relief for small businesses under the CARES Act from
14 Federal taxation; and be it further

15 RESOLVED, That a copy of this resolution be transmitted to
16 the presiding officers of each house of Congress and to each
17 member of Congress from Pennsylvania.