September 29, 2021

The Honorable Josh Gottheimer
United States House of Representatives
203 Cannon HOB
Washington, DC 20515

RE: Budget Reconciliation and NJ Charitable Non-Profits

Dear Representative Gottheimer:

On behalf of the Center for Non-Profits, New Jersey’s statewide network for the charitable non-profit community, I would first like to thank you for your leadership on behalf of the people of our state, your championship of the non-profit community, and for advancing the interests of the people of New Jersey, whom you and the charitable non-profits of our state jointly serve. We appreciate your work through the Problem Solvers Caucus to find common ground in order to forge solutions to pressing issues.

We are writing now to ask that you fight on behalf of charitable non-profits 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.

It’s hard to overstate the vital role that New Jersey’s non-profits have played during the pandemic, providing life-saving care, social services, education, mental health counseling, job assistance and training, comfort, healing and inspiration, and countless other critical functions. But impact of the emergency on New Jersey’s charitable non-profit community has been severe, with devastating human and financial losses, at a time when their programs and services have been needed the most.

Prior to the pandemic, New Jersey non-profits employed nearly 330,000 individuals or almost 10 percent of the private workforce. Data are not readily available regarding how many New Jersey non-profit workers are currently on the payroll, but nationwide, job losses in the non-profit sector still exceed 550,000. That number has improved in recent months, and it is certain that the ERTC has helped many non-profits in the state bring back or retain staff that they otherwise would have had to lay off.

The ERTC has unquestionably allowed non-profits to retain staff and stretch scarce resources. The extension through the fourth quarter of 2021 enacted in the American Rescue Plan Act enabled charitable organizations to plan ahead and reopen for the fall to address educational, cultural, and direct service needs. Removing the ERTC before the end of the year will wreak havoc on that planning, and will certainly result in 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 non-profits operate would ensure that charitable organizations continue to meet the challenges that New Jerseyans will face well after the pandemic is finally beaten.

Charitable non-profits have stretched beyond all reasonable measures and continue to serve our communities despite unfathomable challenges. However, as explained in the attached letter from

www.njnonprofits.org

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Center for Non-Profits is a New Jersey non-profit corporation and a federally recognized 501(c)(3) publicly supported charity.
many national non-profits, the relief provided by Congress for charitable organizations has often fallen short compared 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. Please advance the interests of our communities’ charitable non-profits 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.

Thank you for your consideration.

Very truly yours,

[Signature]
Linda M. Czipo
President & CEO

Attachment