Alert - Restaurant Revitalization Fund & Employee Retention Tax Credit Update

Over the past 3 months, the Support Hometown Attractions Coalition has waged an aggressive campaign urging elected officials centered around 2 priorities: supporting a second round of Restaurant Revitalization Fund (RRF) grant relief - only if - eligibility is expanded to include other impacted industries like ours and reinstating the Employee Retention Tax Credit (ERTC) for the fourth quarter of 2021.

Campaign efforts culminated last Thursday night when Congress passed the $1.5 trillion omnibus spending bill that included many beneficial provisions such as restoring Brand USA, requiring the State Department to develop a plan for improving visa processing and reducing the backlog this year, and H-2B cap relief (which will provide more temporary work visas).

It did not, however, include a second round of RRF grant relief for the following reasons. First, the war in Ukraine and waning COVID infection rates influenced a reprioritization of Congressional issues. Second, and most important, the coalition's message that "all impacted hospitality and travel and tourism businesses should be eligible for additional grant relief, or none should be eligible" resonated loudly with elected officials – especially with Republicans. A lack of consensus on that particular point resulted in a stalemate.

While the coalition is disappointed Congress chose not to support industries most impacted by government mandated closures, we are pleased they did not support an additional round of grant relief for only one hospitality industry segment. Our message is clear, the federal government should not be picking winners and losers when it comes to businesses impacted by COVID closures.

Regarding the ERTC, unfortunately the coalition was unable to get the 2021 reinstatement into the omnibus bill. Since Congress clawed back the remaining 2021 ERTC funding to pay for the massive infrastructure package, its reinstatement would have added more than $8 billion to the federal deficit, which the Republicans do not support. Discussions are just beginning about a new reconciliation package that could be used as a possible legislative vehicle to reinstate the ERTC.

Frustration remains high with the federal government essentially punishing those businesses who utilized the ERTC program - which was guaranteed by the CARES Act - because of their own mistakes. It confounds reason. We will continue to advocate for its reinstatement, even if that means pushing for a stand-alone bill or to be included in the end of year omnibus.

As we take a step back to reassess next steps, we want to thank you for your engagement. Coalition advocates sent over 4,000 emails and social media messages to elected officials and met with more than 20 key elected officials. The social media campaign generated over 700,000 impressions and 15,000 clicks to the coalition's landing page. It made a difference!

The coalition will continue to provide updates regarding next steps as additional information becomes available.
