

United States Senate
WASHINGTON, DC 20510-1009

March 31, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Mnuchin,

As the Treasury Department implements Section 4003 of the H.R. 748, the CARES Act, and focuses on other strategies to help stabilize the U.S. economy, I urge you to help provide relief for the workers and businesses within the U.S. retail industry. As you well know, the 3.6 million apparel, footwear, travel goods, and national retail stores of the U.S. supports 42 million jobs and represents \$2.6 trillion in annual GDP.

The retail industry has had to absorb much of the tariff costs of the U.S.-China trade war and was then hit by a supply shock as the coronavirus emerged on its supply chains in East and Southeast Asia. These companies were ill-positioned to weather the impact of a nationwide economic shutdown. I have grown concerned that in my conversations with many CEOs across this industry, many have expressed the need to trim payroll during the shutdown in order to conserve cash and avoid bankruptcy. However, this action to stave off the closures of businesses will create extraordinary hardship for nearly 20 million Americans, many of whom badly need a well-paid job to help support their families through this time of need. Therefore, I am hoping that the Treasury will focus on ways to stabilize this industry that is so closely integrated to nearly 2/3rds of our annual GDP.

As an advocate for the free-market, I normally would be reluctant to request additional government intervention into our economy. However, it is different when the government shuts down the economy for a public health emergency, even if it is the action is appropriate and tailored. It is our responsibility to help stabilize and ameliorate the damage that we have imposed on our private sector in combating the coronavirus. Nevertheless, aid should always be a hand up, not a hand out, we cannot replicate the bailouts of the past administration. Stabilization funds should be targeted at industries directly affected by the coronavirus and should be used to incentivize businesses to maintain their existing payroll.

Furthermore, the Treasury and the IRS should focus all efforts in helping businesses preserve cash to weather this economic downturn. One consistent complaint I've heard from retailers, big and small, is they did not receive tax filing relief similar to other individuals and companies. Retailers predominantly file and make tax payments on May 15th rather than April 15th because they have to

United States Senate

WASHINGTON, DC 20510-1009

adjust for the holiday shopping season. However, the tax relief provided to April 15th filers is not offered to those who file on May 15th. The Treasury can unilaterally provide filing and tax payment relief for the retail industry. I hope that you could consider providing relief by imposing no penalties for the delayed filing and payment of taxes for the next 6 months. These simple measures could be crucial in helping smaller retail businesses sustain themselves as a growing concern over the next few months.

I appreciate the hard work that you and your staff have dedicated in stabilizing our economy. I hope that you will give my request due consideration.

Sincerely,



David A. Perdue
United States Senator