



March 19, 2020

The Honorable Mitch McConnell
Senate Majority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader McConnell,

On behalf of the members of Worldwide ERC®, I urge you to pursue efforts to help mitigate the direct financial impact that businesses and employees involved with workforce mobility are facing with the travel restrictions necessary to contain the spread of the coronavirus (COVID-19). Specifically, I respectfully request that you include the four below provisions in the final version of the third stimulus bill being developed by the Congress.

Our XXXX members are individuals and businesses that fulfill the facilitation of global and domestic work through the relocation and compliance of employees across the globe, as well as the companies that employing them. Our membership includes relocation management companies, moving organizations, immigration firms, human resources consultancies and hundreds of other suppliers. These organization include many small and family businesses as well as larger enterprises. The travel restrictions implemented by the U.S. and countries across the world that are necessary to contain this pandemic have brought the movement of employees and our industry to a halt. Many of our members, both employees and employers, are not in a position to weather the restrictions without federal financial assistance.

To help ensure the workforce mobility industry and the people it employs and relocates can financially endure the coronavirus pandemic, we request the inclusion in the third stimulus package of the following:

Payroll Tax Holiday

We urge the Congress to include a payroll tax holiday for employees, or a direct cash disbursement, as well as for employers. We suggest an initial period of three months starting immediately in which employees and employers do not pay the payroll tax. If the Congress choses instead to provide individuals with a direct cash payment, we recommend a minimum amount of \$1,000. Regardless of how the Congress provides individuals with financial relief, it is critical that employers also receive a benefit in the form of the suspension of payroll taxes or similar infusion of funds.

Support AMSA and IAM Efforts

On March 17, the American Moving and Storage Association (AMSA) and International Association of Movers (IAM) sent you and other congressional leaders a letter requesting funding to offset losses from the suspension of the movement of the household goods of U.S. service members. The relocation of service members represents 20% of all global moves which the moving industry can ill-afford to lose. We support the request of AMSA and IAM for emergency funding under the Defense Personal Property Program (Dp3) for moving companies and suppliers.

Small Business Loans

As noted previously, many of our members are small businesses which will have extreme difficulty with not having an incoming cash flow for even a short period of this time. We support the expansion and facilitation of loans and guarantees through the Small Business Administration and other sources.



Restoring the Moving Expense Deduction and Exclusion

As part of the Tax Cuts and Jobs Act, the moving expense deduction, and the exclusion from income of moving expense payments by employers to move their employees, were eliminated through December 31, 2025. The deduction and exclusion together make up a vital tax relief tool that makes relocation for work more affordable and supports worker mobility - the lynchpin of a strong economy ([See Cordes and Steuerle, "Tax Treatment of Moving Costs," August 30, 2017](#)) - and a moving industry that supports 480,000 jobs annually. We ask that Congress reinstate these provisions retroactively to the beginning of 2019 as a way to provide additional immediate relief to employees and the companies moving them.

The moving expense deduction was first established by Congress in 1964 and had enjoyed bipartisan support. In its last form, the deduction was already severely limited as to eligible costs, and subject to stringent tests that limit its use to those employees moving substantial distances for legitimate business reasons. Specifically, it could only be claimed on an individual's (or an employer's) costs to move more than 50 miles for a full-time job. For over a half century, Congress had maintained its support of this permanent deduction because it incentivizes beneficial behavior – finding work! It is estimated to provide \$1 billion in tax relief each year which is significant to those businesses and individuals involved in a relocation but a small price to help facilitate the mobility of our workforce as a key component of our economy.

Reinstating the moving expense deduction and exclusion would help individuals and businesses:

1. Middle Class – Over 75 percent of taxpayers who claimed the deduction earned under \$100,000 per year with only 7 percent by taxpayers earning over \$200,000. The majority of corporate transferees earn between \$90,000 and \$130,000;
2. Small Businesses – Growing companies will have much lower costs if they pay to move a new hire;
3. U.S. Taxpayers – U.S. businesses are spending up to \$2 billion per year more, and federal agencies approximately \$150 million more per year moving employees; and,
4. Moving Companies – Over 75% of the American Moving and Storage Association members are small businesses that support 480,000 jobs, yet have seen a 27 percent decline in business since the housing collapse in 2008.

During the economic slowdown resulting from the COVID-19 outbreak, providing additional monetary help is imperative. We ask that reinstatement of the deduction and exclusion be made retroactive to January 1, 2019. Doing so will allow many thousands of employees who moved in 2019, and their employers, to obtain immediate financial relief with the filing of their 2019 tax returns.

Thank you for your consideration of these requests. It is vital that the U.S. maintain a solid infrastructure for the relocation of employees in order to have a strong economy.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward F. Hannibal", written in a cursive style.

Ed
Ed Hannibal
Chairman of the Board
Worldwide ERC®

Worldwide ERC® is the professional association for employee mobility professionals. Since 1964, Worldwide ERC® has been committed to connecting and educating workforce mobility professionals across the globe. A global not-for-profit organization, we are headquartered in Washington, D.C., with offices in London and Shanghai, and are the source of global mobility knowledge and innovation in talent management from Europe, the Middle East and Africa, to Asia and across the Americas.