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**Sent:** Friday, April 16, 2021 12:30 PM

**To:** Ann Cummings <ACUMMING@leg.state.vt.us>; Mark MacDonald <MMacDonald@leg.state.vt.us>; Michael Sirotkin <msirotkin@leg.state.vt.us>; Brian Campion <BCampion@leg.state.vt.us>; Becca Balint <bbalint@leg.state.vt.us>; Randy Brock <RBrock@leg.state.vt.us>; Christopher Pearson <CPearson@leg.state.vt.us>; Faith Brown <FBrown@leg.state.vt.us>

**Subject:** [External] The impact on Colchester Businesses

[External]

Good afternoon Senate Finance Committee:

What does the proposed Paycheck Protection Program (PPP) 2021 tax mean to Colchester businesses?

Colchester has approximately 700 businesses employing 9,190 people that generate over \$525 million in wages annually to our economy. We are a balanced community with a job for every working age adult. COVID-19 saw the closure of many businesses and a 13.3% unemployment rate in the town. PPP was intended to help keep people employed with indebtedness forgiven. With post-COVID times ahead, many of these businesses are still teetering on closure and the permanent loss of jobs. We still have 10% fewer residents working than a year ago!

Taxing PPP will hasten the closure of additional businesses and the permanent loss of employment for many as businesses face a burden they cannot overcome. This will be a hardship for the many female, sole proprietor and minority owned businesses in Colchester that were only given priority for funding in PPP2 and were not qualified for PPP1.

Chris Conant, owner of Claussen's Florist and Greenhouses, one of the more established businesses in town, who has been in Colchester for 49 years and employs 55 people had to overcome hardship during the pandemic, giving away product for free and had a tremendous loss of revenues has the following to say:

"We received PPP1 and were required to spend all of the money on required expenses in a required period of time in order to be forgiven. There is no money left, and now VT wants to tax it as income? How are small businesses supposed to pay the tax if they spent all the money as required? How would a restaurant or bar already on life support begin to pay those taxes? A corporation like Claussen's would be taxed at 8.5%, for every \$100,000 we were forgiven that calculates to us owing \$8500 on money that is gone, clearly not the intent of the PPP loans."

He continued, “we literally are losing thousands of good businesses every day across the country, every industry is affected, great hard-working people just like you and I. Every story is heartbreaking because that certainly could be any of us!!”

Please conform with the federal treatment of forgiven Paycheck Protection Program loans in 2021 instead of economic scaring and inequity to those struggling to stay in business.

Sincerely,  
Kathi O'Reilly



**Kathi Walker O'Reilly**  
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