



National Payroll Reporting Consortium

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August 3, 2020

The Honorable Senator Chuck Grassley
Chairman, Senate Finance Committee
104 Hart Senate Office Building
Washington, DC 20510-4402

The Honorable Senator Ron Wyden
Ranking Member, Chairman, Senate Finance Committee
221 Dirksen Senate Office Building
Washington, DC 20510

Re: Clarification of the Safe and Healthy Workplace Tax Credit.

Dear Senator Grassley and Senator Wyden:

We are writing to draw attention to a possible problem with the legislative language in the American Workers, Families and Employers Assistance act ([S. 4318](#)); i.e., the Safe and Healthy Workplace Tax Credit.

Section 213(e)(1)(B) would establish a refundable payroll tax credit of 50% of an employer's "qualified employee protection expenses," including modifications to workspaces to protecting employees and customers from the spread of COVID-19, and specifically "limiting physical contact between customers and employees." This seems appropriate, but it would exclude expenses for systems is used for limiting physical contact between employees and their co-workers.

(e) QUALIFIED WORKPLACE TECHNOLOGY EXPENSES.—For purposes of this section—

(1) IN GENERAL.—The term "qualified workplace technology expenses" means amounts paid or incurred by the employer for technology systems that employees or customers use in the ordinary course of the employer's trade or business if such technology system—

(A) has a primary purpose of preventing the spread of COVID-19,

(B) is used for limiting physical contact between customers and employees in the United States,

Change needed:

Employers will also need to invest in new systems designed to limit physical contact between co-workers. Examples include:

- High-touch surfaces like timeclocks are used by every employee coming into and leaving the workplace. Workers may touch the timekeeping system to begin their shift; for meals and breaks, and again upon leaving. For a large worksite, this could be thousands of contacts each day.

*ADP ★ Alliance Payroll ★ Asure Software ★ BenefitMall ★ Ceridian ★ CheckWriters ★ Gusto
Heartland Payroll Solutions ★ Intuit ★ iSolved HCM ★ Kronos ★ Paychex ★ Paycom
Paycor ★ Paylocity ★ PPI Business Services ★ PrimePay ★ Ultimate Software*



- Technologies exist to make these clocks touchless, but the bill language may not support eligibility for the credit because they are not customer-facing.
- There are many other systems that similarly serve to limit unnecessary physical contact; e.g.:
 - New hire on-boarding systems, including employment applications and Forms I-9 and Forms W-4;
 - Employee policy handbooks and required notices of various employee rights, and associated acknowledgements;
 - Enrollment/disbursement of electronic payroll, such as Direct Deposit and payroll cards;
 - Benefits enrollment information and annual benefits elections; and,
 - Annual Performance Reviews and related notices of pay increases and acknowledgements.

Members of the National Payroll Reporting Consortium¹ raised this question and suggest clarifying language to extend this credit to technologies that would protect workers that may come in frequent contact with other workers:

(e) QUALIFIED WORKPLACE TECHNOLOGY EXPENSES.—For purposes of this section—

(1) IN GENERAL.—The term “qualified workplace technology expenses” means amounts paid or incurred by the employer for technology systems that employees or customers use in the ordinary course of the employer’s trade or business if such technology system—

*(A) **serves to prevent** ~~has a primary purpose of preventing~~ the spread of COVID–19,*

*(B) is used for limiting physical contact between customers and employees **and between co-workers** in the United States,*

We appreciate your efforts on behalf of American employers and workers. We would be pleased to discuss this further if it would be helpful.

Sincerely,

A handwritten signature in blue ink, appearing to read "Pete Isberg", is positioned above the typed name.

Pete Isberg
National Payroll Reporting Consortium, Inc.
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Pete_Isberg@nprc-inc.org

¹ The National Payroll Reporting Consortium (“NPRC”) is a non-profit trade association whose member organizations provide payroll processing and related services to nearly two million U.S. employers, representing over 36% of the private-sector workforce. Payroll service providers have long served an important role in our nation’s tax collection system as a conduit between employers and government authorities. Payroll service providers improve the efficiency of government tax collections and reporting through electronic payment and reporting programs, and improve employer compliance.