

April 2, 2020

Chairwoman Nydia Velazquez  
House Small Business Committee  
2302 Rayburn House Office Building  
Washington, DC 20515

Ranking Member Steve Chabot  
House Small Business Committee  
2408 Rayburn House Office Building  
Washington, D.C. 20515

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#### PRESIDENT & CEO

Henry Wallmeyer

Dear Representatives Velazquez and Chabot:

Thank you for your efforts to support the economy and workers in this unprecedented public health crisis. I want to share with you that private clubs around the country are doing their best to assist with slowing the spread of coronavirus, but they also need your help.

The Coronavirus Aid, Relief and Economic Security Act (CARES Act) initially allowed 501(c)7 organizations to qualify for the Paycheck Protection Program administered by the Small Business Administration, however, they ultimately were taken out of the package. Their exclusion has sent most clubs into a financial crisis unlike anything we've ever seen for the nearly 3,500 clubs who are 501(c)7 entities.

Private clubs in the United States are rooted in their communities as employers and consumers of local businesses and services. Clubs directly employ more than 500,000 workers who are now in the process of being furloughed or laid off due to 501(c) organizations being excluded from relief provided to other private and commercial businesses and some nonprofit organizations. Most clubs, such as golf, country, city, athletic and yacht clubs, face the same challenges as any small business and employees should not be allowed to suffer simply because of how the business is classified by the Internal Revenue Code.

Despite tax-exempt status afforded to 501(c) organizations, they do pay federal, state and local taxes on revenue earned from non-members. In addition, clubs around the country pay hundreds of millions of dollars in property taxes.

I have heard from many club managers around the country and it is clear that without some relief like the Paycheck Protection Program, it will have a long lasting effect on the viability of many clubs and I urge you to include 501(c)7 organizations in upcoming relief packages. Clubs want to do their part to keep employees on their payroll to stem the tide of unemployment, but with nearly all facilities shuttered, it is next to impossible for them to avoid layoffs.

Again, thank you for the extraordinary work you've done so far to address the health and economic impact of the coronavirus on our nation. I urge you to continue those efforts by including 501(c)7 employees, some of whom are union workers, in the next round of relief.

Sincerely,



Henry Wallmeyer  
President & CEO