



BSLA

Boston Society of
Landscape Architects

The Massachusetts and Maine Chapter of the American Society of Landscape Architects

TO **Senator Elizabeth Warren**
2400 JFK Federal Building
15 New Sudbury Street
Boston, MA 02203

Senator Susan Collins
One Canal Plaza
Suite 802
Portland, ME 04101

Senator Edward Markey
975 JFK Federal Building
15 New Sudbury Street
Boston, MA 02203

Senator Angus King
4 Gabriel Drive
Suite 3
Augusta, ME 04330

DATE December 15, 2020

RE **The tax treatment of loan forgiveness under the Paycheck Protection Program (PPP)**

Dear Senator Warren, Senator Markey, Senator Collins, and Senator King,

We write today as constituents and as members of the Boston Society of Landscape Architects (BSLA) -- the Massachusetts and Maine chapter of the American Society of Landscape Architects -- and we represent approximately 750 landscape architects across our two states. **We are writing to urge you to take legislative action to address the tax treatment of loan forgiveness under the Paycheck Protection Program (PPP). Specifically, Congress should overrule Internal Revenue Service (IRS) Notice 2020-32 that disallows businesses from claiming tax deductions for expenses paid with PPP loans.** Congress must act now so that this does not affect the next tax filing season, nor create extraordinary and potentially catastrophic economic burdens in the months to come.

As landscape architects, our expertise includes designing outdoor spaces for individuals and communities that improve climate resilience and health and offer nature and beauty. More than ever these skills are needed. During the pandemic, we have also collaborated with public and private sector partners to transform streets, sidewalks, and other outdoor places, helping schools, businesses, and communities to function safely.

More than 90% of landscape architecture firms nationally are small businesses. According to an internal BSLA survey, 86% of firms within our Massachusetts and Maine membership applied for a PPP loan. Of those that applied, 91% of firms received



relief, with all of those that received relief reporting that they received the full amount they requested. **This funding has provided firms across Massachusetts and Maine with temporary, vital support, as Congress intended during this difficult time. Thank you.**

During COVID, you protected our staff, our firms, and our profession through proactive action. By establishing PPP, you helped our businesses retain staff and keep their doors open. Utilization of the full PPP allotment quickly became an integral part of each firm's finances. Many of our local firms have attested that without PPP they would have had to lay off employees. And for many, PPP not only kept them afloat, it also boosted morale.

Recessions always hit our industry especially hard and disrupt our industry's greatest resource -- our intellectual capital -- the knowledge and skills our staff develop as a team. Post-recession rebuilding is not as simple as rehiring. It requires multiple years of retraining new staff and investing in them and their teams to be profitable again.

As you know, the PPP has helped many small businesses remain viable during the current COVID-19 crisis. However, many firms accessed PPP loans with the understanding that the funds would **not** be treated as taxable income, as was clearly defined in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Unfortunately, IRS Notice 2020-32 declares that "no deduction is allowed under the Internal Revenue Code for an expense that is otherwise deductible if the payment of the expense results in forgiveness of a covered loan pursuant to section 1106(b) of the CARES Act," leaving many landscape architecture firms and other businesses unfairly responsible for unanticipated tax liabilities. We believe that IRS Notice 2020-32 devalues the good will and investment you made in our country and our communities.

BSLA understands that Congress has recognized the unjustness of IRS Notice 2020-32 with attempts to reverse the notice in several pieces of legislation. However, these measures have stalled, leaving little time and opportunity to address this issue before the end of the tax year. **BSLA urges you to reverse the travesty of this tax liability in the upcoming "must-pass" omnibus appropriations measure or the desperately needed COVID-19 relief measure.**



Our small businesses are depending on your leadership.

We look forward to working with you on this and other issues affecting landscape architects. Please do not hesitate to contact us at chapteroffice@bslanow.org, or at any of our individual email addresses below.

Thank you.

Sincerely,

Kaki Martin, FASLA

President, Boston Society of Landscape Architects
Founding Partner, Klopfer Martin Design Group, Boston, MA
email: kaki@klopfermartin.com

Rachel Loeffler, ASLA

Advocacy Co-Chair, Boston Society of Landscape Architects
Principal, Berkshire Design Group, Northampton, MA
email: rachel@berkshiredesign.com

Mark Johnson, ASLA

Advocacy Co-Chair, Boston Society of Landscape Architects, Maine Section
Senior Landscape Architect, SMRT Architects and Engineers, Portland, Maine
email: MJohnson@smrtinc.com

Cheri Ruane, FASLA

Trustee, Boston Chapter, American Society of Landscape Architects
Vice President, Weston & Sampson, Boston, MA
email: ruanec@wseinc.com

Gretchen Rabinkin, Affiliate ASLA

Executive Director, Boston Society of Landscape Architects
email: gretchen@bslanow.org