

**Congress of the United States**  
**Washington, DC 20515**

October 2, 2020

The Honorable Steve Mnuchin  
Secretary  
Department of the Treasury  
1500 Pennsylvania Ave. NW  
Washington, DC 20220

Dear Secretary Mnuchin,

We urge you to amend IRS guidance to allow military service members and federal employees the ability to choose whether or not their payroll tax obligations will be deferred under IRS Notice 2020-65.<sup>1</sup>

Feedback from civil servants and service members we represent indicates that the withholding of payroll taxes has been chaotic and confusing for many of those affected. There is widespread concern among the ranks of both groups that deferred payroll taxes will lead to increased tax bills in January and potentially even fees for those who are unable to repay deferred taxes.<sup>2</sup> There is also significant trepidation that changes to payroll tax collection could adversely impact Social Security. These concerns have been worsened, they tell us, by poor communication within some agencies and service branches about payroll tax deferral, particularly regarding the methods that will be used to collect deferred tax obligations beginning in January of next year.<sup>3</sup>

Federal workers and members of the military also report feeling unfairly singled out for mandatory payroll tax deferral.<sup>4</sup> Private companies and business organizations were given the flexibility not to participate in the program, and have largely elected not to defer collection of payroll tax obligations.<sup>56</sup> The United States Postal Service, likewise, exempted its employees from the policy. Presented with this contrast in a recent hearing, you responded that it would be “a reasonable issue” to allow federal employees and military service members the same

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<sup>1</sup> IRS Notice 2020-65, accessible at <https://www.irs.gov/pub/irs-drop/n-20-65.pdf>

<sup>2</sup> Nicole Ogrysko, “What they’re saying about the payroll tax deferral,” *Federal News Network*, September 28, 2020 <https://federalnewsnetwork.com/mike-causey-federal-report/2020/09/what-theyre-saying-about-the-payroll-tax-deferral/>

<sup>3</sup> Jim Tankersley, “Trump’s Payroll Tax ‘Cut’ Fizzles,” *New York Times*, September 11, 2020 <https://www.nytimes.com/2020/09/11/business/trump-payroll-tax-cut.html>

<sup>4</sup> Tony Romm and Eric Yoder, “Federal workers will have taxes deferred under Trump’s order, sparking outcry they’re being treated as a ‘guinea pig,’” *Washington Post*, September 2, 2020 <https://www.washingtonpost.com/us-policy/2020/08/31/payroll-tax-trump-federal-employee/>

<sup>5</sup> Richard Rubin, “Some Large Employers Reject Trump’s Payroll-Tax Deferral Plan,” *Wall Street Journal*, September 11, 2020 <https://www.wsj.com/articles/some-large-employers-reject-trumps-payroll-tax-deferral-plan-11599840079>

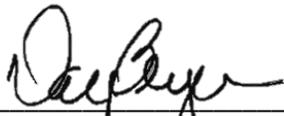
<sup>6</sup> Brian Faler, “Businesses warn they won’t participate in Trump’s payroll tax plan,” *Politico*, August 18, 2020 <https://www.politico.com/news/2020/08/18/businesses-payroll-tax-397777>

flexibility that the Administration granted to the private sector.<sup>7</sup> We applaud this sentiment, and ask that you put it into practice forthwith.

Payroll tax deferrals are already being reflected in government-issued paychecks for the final pay period of September. We therefore urge you to indicate your definite intention to grant all affected members of the United States military and employees of the federal government the choice to opt out of the policy as soon as possible. We further urge you to implement such changes consistently, without threat of adverse consequences, and with clear communication. The longer it takes to initiate changes, the more complex the conversion will be for payroll providers, and the more confusing the paycheck fluctuations will be for those affected.

We thank you for attention to this matter, and would request a response with updates on what actions you intend to take not later than October 10, 2020.

Sincerely,



Donald S. Beyer Jr.  
Member of Congress

\_\_\_\_\_/s/\_\_\_\_\_  
Eleanor Holmes Norton  
Member of Congress

\_\_\_\_\_/s/\_\_\_\_\_  
John Garamendi  
Member of Congress

\_\_\_\_\_/s/\_\_\_\_\_  
Gwen Moore  
Member of Congress

\_\_\_\_\_/s/\_\_\_\_\_  
Bill Pascrell, Jr.  
Member of Congress

\_\_\_\_\_/s/\_\_\_\_\_  
Francis Rooney  
Member of Congress

\_\_\_\_\_/s/\_\_\_\_\_  
Ralph Norman  
Member of Congress

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<sup>7</sup> Treasury Secretary Steven Mnuchin exchange with Senator Chris Van Hollen, "Hearing: The Quarterly CARES Act Report To Congress," U.S. Senate Committee on Banking, Housing, and Urban Affairs, September 24, 2020

\_\_\_\_\_/s/  
Barbara Lee  
Member of Congress

\_\_\_\_\_/s/  
Sylvia R. Garcia  
Member of Congress

\_\_\_\_\_/s/  
Jennifer Wexton  
Member of Congress

\_\_\_\_\_/s/  
Dave Loebsack  
Member of Congress

\_\_\_\_\_/s/  
Ed Case  
Member of Congress

\_\_\_\_\_/s/  
Linda T. Sanchez  
Member of Congress

\_\_\_\_\_/s/  
David Trone  
Member of Congress

\_\_\_\_\_/s/  
James P. McGovern  
Member of Congress

\_\_\_\_\_/s/  
Joe Courtney  
Member of Congress

\_\_\_\_\_/s/  
Gerald E. Connolly  
Member of Congress

\_\_\_\_\_/s/  
Elaine G. Luria  
Member of Congress

\_\_\_\_\_/s/  
Jimmy Panetta  
Member of Congress

\_\_\_\_\_/s/  
Anthony G. Brown  
Member of Congress

\_\_\_\_\_/s/  
Judy Chu  
Member of Congress

\_\_\_\_\_/s/  
Jamie Raskin  
Member of Congress

\_\_\_\_\_/s/  
Suzan K. DelBene  
Member of Congress

\_\_\_\_\_/s/  
Peter A. DeFazio  
Member of Congress

\_\_\_\_\_/s/  
Chellie Pingree  
Member of Congress

\_\_\_\_\_/s/  
Thomas R. Suozzi  
Member of Congress

\_\_\_\_\_/s/  
Earl Blumenauer  
Member of Congress

\_\_\_\_\_/s/  
John B. Larson  
Member of Congress

\_\_\_\_\_/s/  
Collin C. Peterson  
Member of Congress

\_\_\_\_\_/s/  
Brian Higgins  
Member of Congress

\_\_\_\_\_/s/  
Kendra S. Horn  
Member of Congress

\_\_\_\_\_/s/  
Seth Moulton  
Member of Congress

\_\_\_\_\_/s/  
Norma J. Torres  
Member of Congress

\_\_\_\_\_/s/  
José E. Serrano  
Member of Congress

\_\_\_\_\_/s/  
Marcia L. Fudge  
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\_\_\_\_\_/s/  
Dwight Evans  
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\_\_\_\_\_/s/  
Troy Balderson  
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\_\_\_\_\_/s/  
Daniel T. Kildee  
Member of Congress

\_\_\_\_\_/s/  
Bill Foster  
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Terri A. Sewell  
Member of Congress

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Robert C. "Bobby" Scott  
Member of Congress

\_\_\_\_\_/s/  
Don Young  
Member of Congress

\_\_\_\_\_/s/  
Conor Lamb  
Member of Congress