



December 15, 2020

The Honorable J.B. Pritzker
Governor
State of Illinois
207 State House
Springfield, IL 62706

Governor Pritzker,

We are nearing the end of a tumultuous year that has left Illinois restaurants - our state's largest private sector employer - in an economic free fall due to the ongoing COVID-19 crisis. The outlook for the next several months is bleak. More than half of Illinois restaurant operators say they are considering temporarily closing their restaurant until the pandemic passes, and 65% of restaurant owners anticipate laying off more employees in the next three months. 58% of Illinois restaurant owners say they will not be open six months from now without more federal relief. We are again asking that you advocate on behalf of the industry at the federal level to pass the RESTAURANTS Act and secure an immediate additional round of PPP for operators in Illinois.

In order for restaurants to survive now and have the potential to thrive in the future, we need the state to provide enhanced legislative and regulatory relief, as well as a reasonable path to allow for limited indoor dining moving forward. **We ask that you work with our industry on a pragmatic approach to resuming indoor dining that maintains public health and safety as the top priorities, and also protects the livelihoods of restaurant workers and owners in all regions of Illinois.** We remain ready and willing to collaborate with you and your team on solutions for restaurants, caterers, bars, and the people they employ and serve.

The IRA asks you to take the following actions under your executive authority or in conjunction with the Illinois General Assembly:

Direct Aid to Restaurants and Employees

Enhance and streamline the Business Interruption Grant program. The hospitality industry greatly appreciates the state's BIG program that has provided funding to struggling businesses. However, we have often heard from operators about delays in processing applications and awards in addition to a lack of communication from groups facilitating the program. New businesses or those that restructured due to COVID-19 have also been excluded. The program should be bolstered with additional resources, and should allow for expanded qualifications for relief.

Cap delivery and marketing fees that third party delivery services charge on restaurants. Several third party delivery service companies continue to charge restaurants exorbitant fees upwards of 30% per order. Even during regular operating times, these fees harm restaurants. The state of Illinois should take action similar to the city of Chicago - which recently passed an ordinance to cap fees at 15%.

Create tax credits with expedited processing for employers that maintain their staff and who hire new employees. Illinois should create tax credits for employers who maintain staff on their payroll and bring new



employees on payroll. The state of California's Main Street Small Business Tax Credit program provides employers with tax credits equal to \$1,000 for each net increase in the monthly average number of employees.

Create refundable tax credits for investments in employee and customer wellness. Restaurants are making significant capital investments, including contactless payment services, modification of physical facilities to accommodate continued social distancing, enhanced sanitization, expanded use of PPE and disposable products, and more. This relief should be designed as a refundable tax credit to help restaurants shoulder these costs and bolster public confidence.

Address business interruption insurance. Countless businesses have faithfully paid their insurance premiums, only to see claims denied by insurers due to clauses in the contract exempting viruses or pandemics from claims. We ask you to take action either to force insurance companies to pay out business interruption claims or to create a state fund to handle such claims.

Prohibit landlords from evicting or foreclosing restaurants for non-payment of rent or mortgages. Restaurants should be allowed to pay back rent or mortgage payments over a series of months after the crisis abates.

Taxes and Fees

Defer sales tax remittance for all restaurants and bars. We ask that you renew and expand your directive to the Department of Revenue from earlier this year to delay sales tax remittance for all restaurants and bars. Allowing all restaurants and bars to keep sales tax payments for 90 days will provide much needed cash flow to operators. Sales tax should be allowed to be remitted at a future date without penalties or interest.

Suspend the requirement for restaurants and bars to make quarterly sales pay payments. Many operators are continuing to pay their monthly sales tax returns on time, but are being penalized for not paying their quarterly monthly payments. The state should not require restaurants and bars to pay quarterly monthly estimates until indoor dining resumes.

Quickly refund overpayment of estimated taxes.

Freeze unemployment insurance rates in Illinois. More than half of the state's restaurant industry workers were laid off or furloughed this past spring, and we fully expect a new wave of layoffs to come throughout the winter. The state must not impose higher unemployment insurance premiums on restaurants due to layoffs caused by the pandemic.

Defer property, estimated income, corporate income, and franchise taxes. Deferring payments on these taxes for a period interest free will provide cash flow to operators.

Regulatory Relief

Suspend the implementation of the state's next minimum wage increase until July 1, 2021. Imposing additional labor costs on restaurants will only inflict more harm on the industry and prevent restaurants from resuming operations when the pandemic abates.

Suspend the Illinois Liquor Control Commission (ILCC) retailers delinquency list for non-payment of liquor invoices until the resumption of indoor dining.



Extend the allowed terms of payment plans on existing debt between licensed distributors and retailers until the resumption of indoor dining.

Extend state liquor license renewals until 2022.

Allow for credit card payments between retailers and wine and spirits distributors. Modernizing payments through credit card transactions for wine and spirits sales will help retailers by adding needed flexibility, access to more cash on hand, improved contactless transactions, and more.

Make permanent the ability for restaurants to sell mixed drinks/cocktails to go for takeout and delivery. We appreciate the General Assembly's action to temporarily allow for restaurants to sell cocktails to go earlier this year. The law contained a sunset provision that should be removed to make this allowance permanent.

These actions will not eliminate the impact of the crisis, but these relief measures from the state of Illinois will bolster restaurants and help them support their team members at a time when they need it most.

In addition, while we fully support administering the first round of vaccines to health care workers, first responders and high-risk individuals, we ask that you consider restaurant and foodservice workers to be included in the second round of vaccinations. These restaurant and foodservice personnel have already been deemed essential workers, and a swift deployment of a vaccine would help protect employees and strengthen the restaurant community.

I would like to once more stress that the single most important factor that will determine the success or failure of Illinois' restaurants in the coming months is whether or not they are permitted to safely serve their customers indoors with extensive public health protocols in place. The IRA wants to collaborate with you on a path forward to reopen Illinois restaurants. We would like to request a meeting with you to discuss at your earliest convenience.

Thank you for your consideration, and we stand ready to assist as you need.

Sincerely,

Sam Toia
President & CEO
Illinois Restaurant Association

CC: Lisa Duarte
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