

Congress of the United States

Washington, DC 20515

June 24, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, DC 20510

Dear Speaker Pelosi and Leaders McConnell, McCarthy, and Schumer:

We appreciate your leadership over the past months to ensure Congress quickly passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide an economic lifeline for millions of Americans. As Co-Chairmen of the Congressional Direct Selling Caucus, we write to urge inclusion of policies in the next stimulus that will help millions of Americans across the country.

Direct selling offer their products and services directly to consumers through an independent, entrepreneurial salesforce. In 2019, direct selling generated \$35.2 billion in retail sales. More than six million entrepreneurs in the United States sold products or services through the direct selling channel, providing a personalized buying experience for more than 36.9 million customers.

Individuals selling for direct selling companies are independent contractors – 90% sell on a part-time basis to their neighbors, relatives, and friends to supplement their family income. They like the freedom and flexibility to build businesses on their own terms. Their direct selling activities are generally neither extensive nor sophisticated. Direct sellers are quintessential micro-entrepreneurs.

The CARES Act provides avenues that direct selling companies and independent salespeople can access benefits to survive the pandemic including expanded unemployment compensation and the Paycheck Protection Program (PPP). Although these programs are helpful to direct sellers, more relief is needed in future stimulus packages.

We would like to propose three policies that would help sustain direct sellers in the short and long term:

- Waive self-employment taxes on all 1099 filers for one year
- Increased tax credit or allowance for telework or work-from-home expenses (including business startup and operational expenses) that can be claimed by self-employed individuals or companies incurring expense to enable their employees or contractors to work from home

- If an independent contractor accesses temporary expanded benefits under the CARES Act, this cannot be used in future actions to determine employee status

We welcome any conversations with you and your staff, and commit to partnering with your offices to support our companies and the independent contractor salesforce who make the business model successful.

Sincerely,



Marc Veasey (TX-33)
Co-Chair
Congressional Direct Selling Caucus



Richard Hudson (NC-08)
Co-Chair
Congressional Direct Selling Caucus

Additional Co-Signatories:

Congressman Darren Soto (FL-09)
Congressman Josh Gottheimer (NJ-05)
Cathy McMorris Rodgers (WA-05)