Congressman Panetta & Congressman LaHood Introduce the PLUS Act to Support the Food and Beverage Industry

WASHINGTON, DC – Congressman Jimmy Panetta (D-CA) and Congressman Darin LaHood (R-IL) today introduced the Providing Liquidity for Uncollectible Sales (PLUS) Act, which will provide a tax credit to food and beverage distributors to cover uncollectible debt for products that were shipped to establishments prior to COVID-19 related shutdowns, but have not yet been paid for. Given the capacity restrictions that many establishments are currently facing, they are unable to cover debts on previously purchased products because of their inability to sell it to customers due to forced closures.

The PLUS Act tax credit would be a 100% tax credit that food and beverage distributors can take for uncollectible debt from food and beverage establishments that were ordered to close for at least 30 days between March 25, 2020 and July 15, 2020.

The text of the legislation can be read here.

"The food distribution industry is a vital bridge between our growers and restaurants on the central coast of California. With its thousands of employees, our distributors help stock our restaurants with food and, at times, do it on credit. The PLUS Act will provide our foodservice distributors with tax credits to offset any uncollectable debt," said Congressman Panetta. "By providing them with this tax credit, we are helping the food distributors keep their employees on payroll during this pandemic and preserving this crucial supply chain for the future."

"Illinois' food and beverage industry provides good-paying jobs for our residents and they have felt an incredible impact because of COVID-19," said Congressman LaHood. "Through no fault of their own, many establishments were forced to close and now face significant capacity restrictions as states reopen. The bipartisan PLUS Act will allow distributors to continue supporting their customers during this difficult time while covering previous purchases that food and beverage establishments will be unlikely to cover due to forced closures."

"Produce foodservice distributors absorbed a devastating blow with the spring shutdown of the restaurant and hotel industry. The impact of lost inventory and unpaid bills is not recoverable," said Tom Stenzel, President & CEO of United Fresh Produce Association. "I commend Representatives LaHood (IL) and Panetta (CA) for introducing the Providing Liquidity for Uncollectible Sales (PLUS) Act, a helpful solution to an insurmountable challenge for produce foodservice distributors and the companies on both ends of their business agreements."

"We want to thank the Members of Congress and most importantly Congressman Panetta for introducing the PLUS Act. COVID-19 has had a tremendous impact on the fresh produce foodservice distribution network throughout the country. Thousands of jobs, millions in lost
revenue and sales, and tons of fresh produce were lost in the supply chain as a result of the COVID-19 shutdown this spring. The PLUS Act will provide an important tool for our sector of the supply chain to relieve some of the burden in uncollectable debts and provide us liquidity to allow us to partner again with our important customers that serve our communities across the nation," said Brian Kane, Chief Operating Officer, PRO ACT LLC (Monterey, CA).

"Tax credits for this $12.2 billion in outstanding debts will provide the liquidity distributors need to continue to extend credit to their restaurant customers and help them get back on their feet as the economy restarts," said Mark S. Allen, President & CEO of the International Foodservice Distributors Association (IFDA). "I applaud Representatives LaHood (IL) and Panetta (CA) commitment to the foodservice distribution industry, a vital part of our economy."

"Family-owned seafood businesses support restaurants by providing fish on credit, but now are stuck with billions in debt owed them by these customers. This legislation will significantly help revive a complex system that brings seafood from water to table. If we don’t have functioning distributors bringing seafood to market, fish will simply rot on the dock, effecting everyone from boat owners to restaurateurs," added John Connelly, President, National Fisheries Institute.

"Kohl Wholesale greatly appreciates Rep. LaHood’s understanding of the impact of the pandemic on the foodservice industry and the impact on distribution. Rep. LaHood’s leadership in addressing uncollectable debts as a result of the pandemic is very positive for foodservice distributors and their employees across the country," added Matt Ehrhart, Owner of Kohl Wholesale in Quincy, Illinois.

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