

Local Newspapers Need Congressional Support

Facts and Discussion Points

- The COVID-19 pandemic has caused economic damage across every sector.
- Local newspapers already faced economic challenges before the pandemic and the climate has worsened as publishers are experiencing a 30 to 50 percent drop in advertising revenues due to business closures.
- Nearly 36,000 employees at newspapers have been laid off, furloughed or have had their pay reduced during this crisis.
- Americans are relying on local news more than ever. Newspaper audiences have grown substantially as community members strive to stay connected with one another and learn about how the pandemic is impacting their community.
- To assure that newspapers are around to cover this and future crises, Congress must take action to extend the runway for newspapers so that they can implement sustainable business models around digital subscription and advertising revenue.

What Can Congress Do to Help Local Newspapers?

Congress can provide a bridge for the future by adopting business and consumer tax credits that would support local journalism and Main Street businesses. These tax credits have been proposed in bipartisan legislation, H.R. 7640, the *Local Journalism Sustainability Act*, introduced by Rep. Ann Kirkpatrick (D-AZ) and Dan Newhouse (R-WA). The legislation has 37 co-sponsors (23 – D / 14 – R). Here is a summary of the credits:

- **Credit for Advertising in Local Media.** This five-year, non-refundable credit provides businesses with fewer than 1,000 employees up to \$5,000 in the first year and up to \$2,500 in the subsequent four years to spend with local newspapers and broadcasters. This will help small to medium-sized Main Street businesses reach their customers with information about re-openings and will get local economies moving again.
- **Credit for Local Newspaper Subscriptions.** This five-year, non-refundable credit provides every taxpayer up to \$250 a year to spend on subscriptions with local newspapers, defined as print and digital news publications, which have a majority of their readership within the publication's market.

- **Payroll Credit for Journalist Compensation.** This provision provides an incentive for retaining and hiring professional journalists through a refundable tax credit for the compensation of journalists on wages up to \$25,000 in the first year and \$15,000 in the subsequent four years.

These tax credits in support of local journalism are endorsed by more than a dozen organizations representing local newspapers in every congressional district and state, African American and Hispanic publications, professional journalists and nonprofit news organizations.

We encourage you to take a leadership role in supporting these tax credits and doing whatever you can to move them forward in an economic stimulus package in the 116th Congress.