

STOP THE HIT

September 11, 2017

The Honorable Orrin Hatch, Chairman
The Honorable Ron Wyden, Ranking Member
Committee on Finance
U.S. Senate
Washington, D.C., 20510

Dear Chairman Hatch, Ranking Member Wyden, and members of the U.S. Senate Finance Committee:

As members of the Stop The HIT Coalition, which represents America's small business owners, their employees and the self-employed, we applaud your efforts to address skyrocketing health care costs facing millions of Americans across the country.

One significant cost issue is the misguided Health Insurance Tax (HIT) – a tax on health coverage that disproportionately harms the middle class, seniors, and more than 29 million small business owners across the United States and the nearly 60 million workers they employ. Forcing millions of Americans to pay a sales tax on their coverage fundamentally undermines the goal of health care affordability.

This is why we need immediate relief for millions of small business owners and their employees before 2018 insurance premiums are finalized later this month. Absent immediate Congressional action, our members as well as seniors, Medicaid beneficiaries, and individuals purchasing coverage on their own will face a \$14.3 billion tax hike, driving up the cost of coverage for those struggling to afford the cost of care.

A recent report from Oliver Wyman estimates that the HIT will force families purchasing coverage in the small group market to pay an additional \$500 on average in premium costs next year. Worse, more than half of the entire tax is paid by those with incomes between \$10,000 – \$50,000, and estimates show the HIT will cost small businesses and families \$5,000 in higher premiums over a decade.

Suspending the HIT for 2018 is a common-sense approach to address the cost challenges facing Americans. Indeed, past Congressional efforts to provide HIT relief, including bipartisan action from nearly 400 Republicans and Democrats in the House and the Senate to suspend the HIT for 2017, represented a significant step forward for small businesses.

While this common-sense effort provided important and temporary relief from rising premiums, additional action is required. We urge Congress to act now to protect the millions of hardworking Americans who will shoulder the burden of the HIT when it returns in 2018.

Sincerely,

Advancing Convenience & Fuel Retailing

American Council of Engineering Companies

American Farm Bureau Federation

American Hotel and Lodging Association

American Rental Association

American Supply Association

Associated Builders and Contractors

Associated General Contractors

Auto Care Association

Independent Electrical Contractors, Inc.

National Association of Health Underwriters

National Association of Manufacturers

National Association of Wholesaler-Distributors

National Club Association

National Federation of Independent Business

National Lumber & Building Material Dealers Association

National Restaurant Association

National Retail Federation

National Roofing Contractors Association

National Small Business Association

National Utility Contractors Association

Printing Industries of America

Retail Industry Leaders Association

Specialty Equipment Market Association