

ALLIANCE TO FIGHT THE 40

Stop the 40% tax on health benefits



For Immediate Release

July 17, 2019

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FIGHT THE 40 APPLAUDS HOUSE FOR SWIFT ACTION TO FULLY REPEAL HARMFUL TAX ON WORKERS' HEALTH CARE & URGES SENATE TO TAKE ACTION

WASHINGTON— The **Alliance to Fight the 40 | Don't Tax My Health Care**, a broad-based coalition committed to repealing the 40 percent tax on employer-provided health benefits, today applauds the U.S. House of Representatives for approving H.R. 748, the “Middle Class Health Benefits Tax Repeal Act of 2019,” which would fully repeal the so-called “Cadillac Tax.” The strong bipartisan vote of 419 to 6 underscores both the importance and urgency of full repeal.

“Today, we are one step closer to providing the health care tax relief working families desperately need,” said **James A. Klein, president of the American Benefits Council**. “Thank you to our champions, Representatives Joe Courtney (D-CT) and Mike Kelly (R-PA), as well as House Ways & Means Committee Chairman Richard Neal (D-MA), and House Democratic and Republican leadership, for bringing this important measure to the House floor. **Every vote for this bill is a vote to protect the health care coverage of more than 181 million Americans.** We urge the Senate to voice its own overwhelming support for this legislation and send it to the president for his signature.”

“The American people gave Congress a mandate: address the rising cost of health care,” said **Rep. Joe Courtney (D-CT)**. “Out-of-pocket costs are increasingly unaffordable for families, even those with insurance. If the 40 percent tax on employer-sponsored health plans goes into effect, the affordability crisis will dramatically worsen. This tax has never generated a penny of revenue, yet it continues to threaten working Americans’ health benefits. After over a decade of work towards this effort, the House did the right thing today for families across America by voting to fully repeal the tax. Now, Senator McConnell must take a cue from the strong statement made today in the House and bring this bill up for a vote in the Senate.”

“It is great day for hardworking Americans! Today, the House voted to repeal Obamacare’s so-called ‘Cadillac Tax’ a punitive penalty on employers that provide quality healthcare to their employees,” said **Rep. Mike Kelly (R-PA)**. “The ‘Cadillac Tax’ never made sense because it provided exactly the wrong incentive to businesses: offer employees a cheaper health plan to avoid higher taxes. But today, we said no more. Thank you to my friend Representative Joe Courtney, who worked with me to provide much-needed relief to American families.”

“I’m pleased the House voted to permanently repeal the ‘Cadillac Tax,’” said **Senator Mike Rounds (R-SD)**. “Too many families are already suffering under Obamacare, and unless we repeal the Cadillac Tax, thousands of South Dakotans who get their health care from work are in jeopardy of losing the plans they currently enjoy. If implemented, the ‘Cadillac Tax’ would impose a 40 percent tax on certain employer-sponsored health care plans. This would dramatically increase the costs of healthcare for South Dakota families. The ‘Cadillac Tax’ repeal bill that Sen. Martin Heinrich (D-NM) and I introduced earlier this year has strong bipartisan support in the Senate. I urge the Senate to quickly pass our bill and get it to the president’s desk so we can permanently repeal this ill-advised tax on middle-class families.”

“Eliminating this onerous tax on employees’ health coverage will protect important benefits for workers and ensure that businesses and families get a fair deal,” said **Sen. Martin Heinrich (D-NM)**. “I look forward to working with Senate leadership and my colleagues to ensure millions of middle-class families who rely on employer-based health care aren’t unfairly penalized by this tax.”

Background. The “Cadillac Tax” is a 40 percent tax on the cost of employer-provided health coverage that exceeds certain premium benefit thresholds – projected to be \$11,100 for self-only coverage and \$29,750 for family coverage in 2022. More than just health plan premiums are counted when determining the “cost” of the plan. The cost of wellness programs, on-site clinics and other plan features designed to keep the workforce healthy and help reduce plan expenses are also included. The tax is designed to hit more plans over time so that virtually everyone in an employer-provided plan, including low income workers and families with chronic or catastrophic health conditions, will ultimately be affected.

Bipartisan Support. Repealing the “Cadillac Tax” has broad bipartisan support in Congress. H.R. 748 in the House has 369 cosponsors and S.684 in the Senate has 42 cosponsors supporting legislation to fully repeal the “Cadillac Tax.”

Broad Stakeholder Support. Recently, 665 patient advocacy groups, cities, large corporations, small family businesses, and other organizations that sent a [letter](#) to Congress urging full repeal of the “Cadillac Tax.”

Voter Support. In [a prominent new poll](#), 86 percent of voters believe employer-provided health care coverage should remain tax-free and – by a 4 to 1 ratio – voters are more likely to support a member of Congress that has voted to repeal the “Cadillac Tax.”

The Alliance to Fight the 40 | Don’t Tax My Health Care is a broad-based coalition comprised of businesses, patient advocates, employer organizations, unions, local governments, health care companies, consumer groups and other stakeholders that support employer-provided health coverage. This coverage is the backbone of our health care system and protects more than 181 million Americans. The Alliance seeks to repeal the 40 percent “Cadillac Tax” on health benefits and to prevent increased income taxes on workers, families and retirees who rely on employer-provided health coverage. The Alliance is committed to ensuring that employer-provided coverage remains an effective and affordable option for working Americans and their families.

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