

# ALLIANCE TO FIGHT THE 40

Stop the 40% tax on health benefits



July 15, 2019

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
U.S. Capitol Building, Room S-230  
Washington, DC 20510

The Honorable Charles Schumer  
Minority Leader  
United States Senate  
U.S. Capitol Building, Room S-221  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker  
United States House of Representatives  
U.S. Capitol Building, Room H-232  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
United States House of Representatives  
U.S. Capitol Building, Room H-204  
Washington, DC 20515

Dear Leader McConnell, Minority Leader Schumer, Speaker Pelosi, and Minority Leader McCarthy,

We are writing on behalf of the 181 million Americans who receive health care coverage through an employer. This coverage is threatened by the looming 40% tax on employer-provided coverage. We applaud the House for the bipartisan support and for bringing H.R. 748, a bill that fully repeals the “Cadillac Tax,” to the floor for a vote this week. We urge the Senate to approve quickly, and send this bill to the president before the end of the year.

The tax is having a real impact, today, on the lives and pocketbooks of American workers. A poll conducted July 12, 2019, found that 86% of voters oppose taxing employer-provided health insurance.

The “Cadillac Tax” increases the health care cost burden for working Americans, threatens patient access to care, and targets vulnerable populations such as the families and sick individuals most needing care. A significant majority of voters – across party lines – oppose this tax because it increases out-of-pocket costs for older, sicker and underserved communities. Taxing workers trying to manage chronic conditions fails to address our most urgent health care challenges.

At 40%, the tax is twice the top corporate rate and will have significant consequences. Waiting to address the tax forces employers to adjust benefits now in anticipation of the tax. Several [studies](#) have shown that the “Cadillac Tax” would have a direct and negative impact on the continued affordability of employer-provided health insurance because employers will be compelled to reduce benefits and increase deductibles and other out-of-pocket costs to avoid the tax.

We need to protect the millions of American families with employer-provided health care coverage from further benefit losses and cost hikes. A healthy workforce drives a healthy economy, but the so-called “Cadillac Tax” will drive America’s health care – and workforce – in the wrong direction.

There is strong support for repealing the 40% tax from both sides of the aisle and both sides of the Capitol—and all across the country. Currently, there are more than [360](#) cosponsors in the House and [42](#) cosponsors in the Senate who support legislation to repeal the tax. In addition, 665 organizations including, businesses, nonprofits, cities, chambers of commerce, insurers, brokers, unions, and patient advocacy groups recently signed [a letter](#) supporting full repeal of the ‘Cadillac Tax.’

We urge you to keep health care affordable for working families by including full repeal of the “Cadillac Tax” in any package under consideration before the end of this year.

Thank you for your consideration of this request.

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