

STOP THE HIT

October 27, 2016

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

The Honorable Harry Reid
Minority Leader
United States Senate
S-221, The Capitol
Washington, DC 20510

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
H-204, The Capitol
Washington, DC 20515

Dear Majority Leader McConnell, Minority Leader Reid, Speaker Ryan, and Minority Leader Pelosi,

As members of the Stop The HIT Coalition, we urge you to include language in any year-end legislative package that would extend the one-year suspension of the Health Insurance Tax (HIT).

The Stop The HIT Coalition comprises the nation's small business owners, their employees and the self-employed, who together represent hundreds of millions of Americans negatively impacted by the HIT.

As you know, the HIT is a harmful tax levied on America's small business owners, low and middle income families, seniors and young workers struggling to afford health insurance. Indeed, more than **half of the entire tax is paid by those with incomes between \$10,000 – \$50,000**, and estimates show **the tax will cost small businesses and families \$5,000 in higher premiums** over a decade.

Intended as a way to pay for the expansion of health care, **the HIT has in reality crippled small businesses**, forcing them to choose between cutting jobs and cutting benefits. This is a terrible position to put our small businesses in as we depend on them to help drive economic growth in America.

The pain of the HIT comes at a time when small employer benefits are already under siege. A recent **study** by the Employee Benefits Research Institute (EBRI) found

profound consequences on health care coverage. Between 2008 – 2015:

- Coverage dropped by 36% among small businesses with fewer than 10 employees;
- A 26% decrease for small businesses with 10 to 24 employees;
- A 10% reduction in coverage for employers with 25 to 99 employees.

Congress stood on the side of small businesses last year when Members on both sides of the aisle – nearly 300 Republicans and over 100 Democrats – voted to delay the impact of the HIT for one year. This was a welcome and needed first step, and we thank Congress for this important vote. However, we are extremely concerned about the HIT returning in 2018, particularly as it is expected to have an even higher impact on premiums at that time.

We hope you will again consider including language extending HIT relief in any end of year legislative package. Hardworking Americans need the certainty and security of additional relief from this harmful tax.

Sincerely,

American Farm Bureau Federation
American Hotel & Lodging Association
American Rental Association
American Supply Association
Associated Builders and Contractors
Auto Care Association
National Association of Health Underwriters
National Association of Wholesale-Distributors
National Club Association
National Federation of Independent Business
National Lumber and Building Material Dealers Association
National Restaurant Association
National Retail Federation
National Roofing Contractors Association
National Small Business Association
Petroleum Marketers Association of America
Printing Industries of America
Retail Industry Leaders Association
Specialty Equipment Market Association
Society of American Florists
U.S Chamber of Commerce