



c - FS, LF, RB/
Faxed

WAH



TO: PRINCIPAL OFFICER

FROM: CHRISTY BAILEY, DIRECTOR
DEPARTMENT OF FIELD & POLITICAL ACTION

DATE: JULY 22, 2011

RE: "GANG OF SIX" HEALTHCARE TAX PROPOSAL

As debt ceiling negotiations continue on Capitol Hill, many proposals for reducing the nation's deficit have been put forth. Recently, a bipartisan group of Senators, referred to as the "Gang of Six," has put forth their own deficit reduction proposal. Included in this proposal is a provision that would be very harmful to millions of middle-class working families and one that the IBT strongly opposes: taxing healthcare benefits.

Taxing healthcare benefits means more money coming out of the pockets of middle-class families and that employers will be less likely to offer health insurance for their employees. The middle class has already sacrificed enough in the recession, and any deal to raise the nation's debt limit should not mean more sacrifice for working families.

We strongly encourage you to reach out to your members of Congress and urge them to oppose any tax on healthcare benefits. Talking points and a reporting form to return to our office are attached.

Thank you for your attention to issue. If you have any questions, please contact the Department of Field & Political Action at (202) 624-6993.

CB/ms
Attachments

OPPOSE NEW TAXES ON HEALTH CARE BENEFITS

- The "Gang of Six," a bipartisan group of Senators, has put forth a deficit reduction proposal that would tax the healthcare benefits of middle-class working families. The proposal does this by limiting the tax exclusion for employer-provided benefits.

Employer-provided health benefits should not be taxed.

- Two-thirds of Americans with health insurance—156 million people—have employment-based insurance.
- The tax exclusion for employer-provided health benefits was an important factor in creating the current system of employment-based coverage.
- Limiting the exclusion would lead many employers to drop coverage for their employees.
- Limiting the exclusion would lead to higher deductibles, copays, and coinsurance for working families.
- Limiting the exclusion would violate the commitment to let people keep the plan they have.
- Limiting the exclusion would violate the commitment not to increase taxes on the middle class.
- To generate significant amounts of revenue, any limitation on the tax exclusion would have to affect a large portion of the middle class.
- Middle class health benefits should not be taxed to pay for income tax cuts that benefit rich people.
- The Affordable Care Act already contains an excise tax on relatively higher cost health plans, which is set to take effect in 2018.

REPORTING FORM

MEMBER OF CONGRESS CONTACTED

DATE OF MEETING/CALL

ISSUES DISCUSSED

COMMENTS/RESPONSES YOU RECEIVED:

PLEASE FAX THIS FORM TO (202) 624-6992.