



February 13, 2019

The Honorable Nancy Pelosi
Speaker of the House
1236 Longworth House Office Building
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
2421 Rayburn House Office Building
Washington, D.C. 20515

Re: Support of H.R. 748, “The Middle Class Health Benefits Tax Repeal Act of 2019.”

On behalf of the Construction Employers of America, our seven-member organizations, and the 1.4 million Americans we employ, we write to you in strong support of H.R. 748, “*The Middle-Class Health Benefits Tax Repeal Act of 2019.*” We urge you to cosponsor this legislation, which would repeal the onerous “Cadillac Tax.” Imposing this excessive 40 percent tax on employer provided healthcare unfairly penalizes companies who have chosen to invest in their workforce.

Our member organizations provide quality healthcare to their employees; they do so not because it is politically expedient, but because it is the right thing to do. The “Cadillac Tax” is nothing more than a benefit for those employers who provide either substandard health coverage to the employees, or none at all.

Although Congress has taken action to delay its implementation until 2022, the tax’s effects are being felt across our industries. In order to avoid being on a trajectory to trigger the tax thresholds, employers are already being compelled to reduce benefits or implement increased cost-sharing. If Congress does not act now on a permanent repeal, the tax will harm millions of blue collar Americans with employer-sponsored healthcare.

In addition, our member associations remain gravely concerned that any attempt to repeal the Cadillac Tax must not take the form of a “cap” on the tax exclusions for employer-funded healthcare programs. This proposed “cap” would require any amount over an arbitrary limit set by the federal government to be declared as taxable income thereby transferring the cost to the employee. Repealing the Cadillac Tax to then replace it with a cap on exclusions is not solving the problem, it is just giving it a new name.

On behalf of the CEA’s seven employer associations (listed below) we strongly urge you to cosponsor H.R. 748 and to refuse any attempt to cap the tax exclusion on employer-funded healthcare programs.

Sincerely,

International Council of Employers of Bricklayers and Allied Craftworkers
FCA International
Mechanical Contractors Association of America
National Electrical Contractors Association
Sheet Metal & Air Conditioning Contractors’ National Association
Signatory Wall and Ceiling Contractors Alliance
The Association of Union Constructors