



AMERICANS for TAX REFORM

March 2, 2018

The Honorable Kristi Noem
United States House of Representatives
2457 Rayburn House Office Building
Washington, DC 20515

Dear Representative Noem:

I write in support of H.R. 4894, the Harmful Tax Prevention Act. This legislation delays the Obamacare health insurance tax for 2018 provided an insurer gives a rebate to consumers.

If the health insurance tax is allowed to remain in effect this year, it will mean higher premiums and higher costs for middle class families, seniors, and small businesses. While it is imperative that all Obamacare taxes are repealed, in the short term it is crucial that Congress passes health insurance tax relief for 2018.

Through the inclusion of the rebate mechanism, your legislation ensures that tax relief is given to American consumers, including many middle and low-income families.

Half of the tax is paid by those earning less than \$50,000 a year and it will increase premiums by \$5,000 per family over the next decade according to research by the American Action Forum.

In total, the tax hits 11 million households that purchase through the individual insurance market and 23 million households covered through their jobs. Next year alone, the tax will total \$14.3 billion. Over a decade, these taxpayers will pay roughly \$150 billion more if the tax is not repealed.

The health insurance tax is also devastating to small businesses. It is estimated to directly impact as many as 1.7 million small businesses. According to the National Federation of Independent Business, the tax could cost up to 286,000 in new jobs and cost small businesses \$33 billion in lost sales by 2023.

By supporting the Harmful Tax Prevention Act, lawmakers can ensure taxpayers across the country are given immediate relief from the health insurance tax. Failing to act will mean higher costs for families and business. As such, all members of Congress should support this important legislation.

Onward,

Grover G. Norquist
President, Americans for Tax Reform

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