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July 15, 2019

The Honorable Nancy Pelosi
U.S. House of Representatives
Washington, D.C. 20515

AGC KEY VOTE: Vote “Yes” on H.R.748, the Middle Class Health Benefits Tax Repeal Act of 2019

Dear Speaker Pelosi:

On behalf of the Associated General Contractors of America (AGC), I write to urge you to support the Middle Class Health Benefits Tax Repeal Act (H.R. 748). This bipartisan legislation would repeal the 40 percent excise tax on employer-sponsored health coverage and employee benefits under the Affordable Care Act (ACA). Because ensuring the ability to provide affordable health care is a critical issue for the construction industry, **AGC reserves the right to record your vote on this bill as a “key vote” for the education of its membership.**

The 40 percent excise tax, also known as the “Cadillac tax,” would force contractors to cut or limit employee benefits for millions of employees. Though dubbed the Cadillac tax because the provision was targeting “high cost” employer-sponsored health coverage, it is causing an adverse effect on the affordability and quality of health coverage available to construction employees and their families even before it has taken effect.

While we appreciate prior delays of this tax, uncertainty remains in the employer health market as the U.S. Treasury Department begins to develop proposed rules for implementation. As construction employers make health plan decisions well in advance of a coverage year beginning, looming proposed rules have a direct impact on their planning process for the next several coverage years.

AGC supports the affordability and viability of providing employer-sponsored coverage now and in the future. As such, the 40 percent excise tax should be permanently repealed. **Again, AGC reserves the right to record your vote as a “key vote” for the education of its membership.**

Sincerely,

A handwritten signature in black ink that reads 'Jimmy Christianson'. The signature is written in a cursive, flowing style.

Jimmy Christianson
Vice President, Government Relations