

House Resolution 654

By: Representatives Kelley of the 16th, Allison of the 8th, Raffensperger of the 50th, Caldwell of the 20th, Petrea of the 166th, and others

A RESOLUTION

1 Encouraging the United States Congress to repeal a tax on health insurance; and for other
2 purposes.

3 WHEREAS, the health reform law includes a new tax on health insurance that took effect
4 in 2014, and in 2015, this tax will increase by 41 percent, an increase which will be reflected
5 in 2015 premiums; and

6 WHEREAS, the health insurance tax will total more than \$100 billion by 2022, and the Joint
7 Committee on Taxation estimates this tax will add an additional \$350.00 to \$400.00 annually
8 to family premiums in 2016 alone; and

9 WHEREAS, legislation has been introduced to repeal this costly tax; and

10 WHEREAS, Congress should eliminate this new health insurance tax because it will
11 disproportionately affect individuals, small employers, and rural consumers who buy popular
12 PPO coverage and add hundreds of dollars to family premiums; and

13 WHEREAS, small employers and individuals without access to employer coverage will
14 primarily be the ones paying the health insurance tax because it is allocated to those who
15 purchase insured coverage, while those who work for larger employers that self-insure are
16 exempt; and

17 WHEREAS, the tax is cut in half for certain tax-exempt, nonprofit HMOs while the full tax
18 is imposed on other nonprofit health plans as well as for profit plans which results in a higher
19 portion of the tax being assessed on those individuals and small employers choosing popular
20 PPO products or residing in rural areas that do not have HMO coverage available; and

21 WHEREAS, since self-insured plans are not subject to the tax and the aggregate amount of
22 the tax is fixed each year, the burden of the tax will grow over time on those who buy
23 insurance as more employers self-insure to avoid the tax; and

24 WHEREAS, actuarial consulting firm Oliver Wyman estimates that over a ten-year period,
25 beginning in 2014, the tax will add approximately \$6,800.00 to the cost of family health
26 insurance coverage, increase the cost of Medicare Advantage coverage by \$3,590.00, and
27 raise the cost of Medicaid coverage by approximately \$1,530.00 per enrollee; and

28 WHEREAS, the National Federation of Independent Business estimates the tax will increase
29 the cost of family coverage by nearly \$5,000.00 by 2020 and result in job losses totaling
30 146,000 to 262,000 jobs by 2022, with 59 percent of the losses falling on small businesses.

31 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES that
32 the members of this body encourage the United States Congress to repeal a tax on health
33 insurance.

34 BE IT FURTHER RESOLVED that the Clerk of the House of Representatives is authorized
35 and directed to make appropriate copies of this resolution available for distribution to
36 members of the Georgia delegation to the United States Congress.