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House Approves Legislation to Repeal 3 Percent Withholding Rule and Modify the Income Definition for Certain Health Care Programs

Washington, DC - Today, the House passed H.R. 674 sponsored by Rep. Herger (R-CA) and Rep. Blumenauer (D-OR) to repeal the 3 percent withholding rule on certain payments made to vendors by government entities. The House also passed H.R. 2576 sponsored by Rep. Black (R-TN) to align the income definition for certain health programs to more closely reflect how it is measured in other federal means-tested programs. The Members released the following statements after the vote:

Chairman Camp: “Today, the House took a bipartisan step to reduce uncertainty so that job creators can invest and hire by passing full repeal of the 3 percent withholding law, which enjoyed strong bipartisan support, including the support of the Obama Administration. I am pleased that the Administration also voiced support for legislation to align the income definition for certain health programs in the Democrats' health care law with other means-tested programs – a step that ensures that funds are targeted to those who need them most. I urge the Senate to follow the lead of the House and move quickly to pass both of these bills so that the President can sign this jobs package into law.”

Rep. Herger: “The strong, bipartisan vote in the House to repeal the 3 percent withholding mandate brings us one major step closer to making it easier for small businesses in our nation to create jobs. Coming from a small business background, I can attest that businesses look several years ahead when they're deciding how to invest and that they frequently operate on slim profit margins. This week the Associated General Contractors of America released a survey finding that nearly half of all construction firms will be forced to hire fewer workers if the 3 percent withholding tax takes effect. It is not surprising that repealing 3 percent withholding is supported by dozens of businesses as well as state and local governments. I'm also encouraged that the President has endorsed repeal of this detrimental mandate and urge the Senate to send this bipartisan legislation to his desk without delay.”

Rep. Black: “Bringing Medicaid back into line with the major federal public assistance programs is an absolute must, and I am pleased that the House adopted my common-sense, bipartisan solution. Likened to middle class Americans qualifying for food stamps, the income definition change in the Affordable Care Act would allow some middle class Americans to qualify for Medicaid—a program meant to help those most in need. With the MAGI policy set to take effect in 2014, there is time to prevent these improper payments before taxpayer dollars are spent. By passing my bill, we will save \$13 billion over ten years, without taking away a benefit from anyone currently on the Medicaid rolls and ensuring the very scarce Medicaid resources are there for those in the most need.”

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