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Contact: Emily Lawrimore ~202.224.6441

March 19, 2013

[Emily\\_Lawrimore@Barrasso.Senate.Gov](mailto:Emily_Lawrimore@Barrasso.Senate.Gov)

## **Barrasso, Hatch Reintroduce Bill to Repeal Health Insurance Tax**

*Jobs and Premium Protection Act will eliminate Obamacare tax, save jobs & block rising health premiums.*

WASHINGTON, D.C. – Today, U.S. Senators John Barrasso (R-WY) and Orrin Hatch (R-UT) reintroduced legislation to save jobs and prevent health insurance premiums from skyrocketing for America’s small businesses and families. The *Jobs and Premium Protection Act*, eliminates the costly, unfair and job-crushing health insurance tax (HIT) included in the President’s health care law.

“Over the last three years, Americans and small businesses have watched their health premiums increase under the President’s health care law. Now, they’re set to get hit again unless Congress repeals the costly health insurance tax,” **said Barrasso**. “Ultimately small businesses and their employees are the ones who are going to end up paying this unfair tax. Washington needs to focus on helping small businesses grow, not burdening them with new job-crushing taxes. It’s time to eliminate this bad policy that will only increase health insurance premiums for families and cost thousands of Americans their jobs.”

“American families and job creators can’t afford the cost or consequences of this ObamaCare health insurance tax. Higher insurance costs, fewer jobs and smaller paychecks is not what President Obama promised when he signed the largest expansion of government into law nearly three years ago, but that’s exactly what’s already happening in no small part because of this tax,” **said Hatch**. “Raising taxes on health insurance can only ever lead to higher health care costs, because the price of the tax will be passed onto consumers. In this economy and with families and businesses struggling to succeed, it’s time we repeal this egregious tax once and for all.”

Senators Richard Burr (R-NC), Dan Coats (R-IN), Mike Crapo (R-ID), Jim Inhofe (R-OK), Johnny Isakson (R-GA) and Mike Johanns (R-NE) are original cosponsors of the *Jobs and Premium Protection Act*.

### **BACKGROUND**

The *Jobs and Premium Protection Act* repeals Section 9010 of the President’s health care law,

known as the health insurance tax (HIT).

If the HIT is not repealed, starting in 2014, health insurance companies will be taxed based on their net premiums written in the fully-insured market—where 87% of small businesses purchase their coverage.

Small businesses are the backbone of the American economy, but this tax will directly impact their ability to create the jobs this economy desperately needs.

The National Federation of Independent Business [predicts](http://www.nfib.com/research-foundation/studies/hit-cost?utm_campaign=HIT&utm_source=Research&utm_medium=Release&utm_content=hitcost) ([http://www.nfib.com/research-foundation/studies/hit-cost?utm\\_campaign=HIT&utm\\_source=Research&utm\\_medium=Release&utm\\_content=hitcost](http://www.nfib.com/research-foundation/studies/hit-cost?utm_campaign=HIT&utm_source=Research&utm_medium=Release&utm_content=hitcost)) that this tax will force the private sector to eliminate between 146,000 and 262,000 jobs by 2022, with 59 percent of the job losses coming from small businesses.

Families will also experience higher premiums because of this tax. A [study](http://americanactionforum.org/sites/default/files/Case_of_the_Premium_Tax.pdf) ([http://americanactionforum.org/sites/default/files/Case\\_of\\_the\\_Premium\\_Tax.pdf](http://americanactionforum.org/sites/default/files/Case_of_the_Premium_Tax.pdf)) by former CBO Director Douglas Holtz-Eakin shows the average employee with a family plan will see their take-home pay reduced by \$5,000 over the next 10 years due to this tax.

The Joint Committee on Taxation expects that eliminating this tax would save an average family \$350-\$400 in 2016.

Seniors will also see their health premiums impacted by this tax. According to a study by Oliver Wyman, the tax could cost seniors \$3,590 over ten years in increased premiums and reduced benefits.

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