



July 16, 2019

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

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Pelosi and Minority Leader McCarthy:

I write to share the strong support of the National Retail Federation (NRF) for H.R. 748, the Middle Class Health Benefits Tax Repeal Act of 2019. Please note that NRF may consider votes on the strongly bipartisan H.R. 748 and related procedural motions as Opportunity Index Votes for our annual voting scorecard.

The National Retail Federation, the world's largest retail trade association, passionately advocates for the people, brands, policies and ideas that help retail thrive. From its headquarters in Washington, D.C., NRF empowers the industry that powers the economy. Retail is the nation's largest private-sector employer, contributing \$2.6 trillion to annual GDP and supporting one in four U.S. jobs — 42 million working Americans. For over a century, NRF has been a voice for every retailer and every retail job, educating, inspiring and communicating the powerful impact retail has on local communities and global economies.

H.R. 748, introduced by Representatives Joe Courtney (D-CT) and Mike Kelly (R-PA), will repeal the Affordable Care Act's 40% excise tax on the excess value of employer-sponsored health plans. Though portrayed as being targeted at rich "gold-plated" benefit plans, the "Cadillac Tax" is projected to hit much more mainstream plans covering low- and middle-class families in the coming years because of how it is indexed.

This legislation helps protect health insurance coverage enjoyed by 181 million Americans. According to 2018 mid-term election polling, 81 percent of voters oppose taxing employer-provided health coverage.

NRF appreciates Congress' past two successful efforts to delay the "Cadillac Tax." We urge its full repeal, however, because this tax forces the reduction of benefits well in advance of its effective date. Employers generally craft benefit plans two or more years in advance of the actual

National Retail Federation

July 16, 2019

Page | 2

plan year. Benefits are being reduced now (increasing employee cost-sharing) to avoid the unfair tax on “excess” benefits.

We strongly urge your support for H.R. 748, bipartisan legislation to repeal the “Cadillac Tax.”

Sincerely,

A handwritten signature in black ink, appearing to read "David French". The signature is stylized and cursive.

David French
Senior Vice President
Government Relations

cc: Members, U.S. House of Representatives