November 15, 2019

The Honorable Gary Peters
724 Hart Senate Office Building
Washington, DC 20510

Dear Congressman Peters,

On behalf of the over 1,600 member companies the Michigan Manufacturers Association (MMA) represents across the state, I am writing today to urge you to support efforts to delay implementation of the Health Insurance Tax (HIT) again this year. As you know, the HIT is scheduled to go into effect in January 2020. Due to the overwhelming probability that the HIT will create serious financial difficulties for Michigan manufacturers, MMA opposes the HIT and is very concerned for the negative economic impact we believe it will have in industries and communities across the nation.

MMA exists to support Michigan’s manufacturing industry, the state’s largest and most impactful economic sector. Many of our members are small- and mid-sized independent businesses. These are precisely the businesses who will bear the cost of the HIT the most, as they are not set up to absorb the additional healthcare expense. The HIT would put them in a very difficult position as they grapple with covering their employees’ health care plans.

As you know, the HIT was implemented when the Patient Protection and Affordable Care Act (PPACA) passed in 2010, and it has increased in cost year over year since then. Next year alone, is estimated that the HIT will add $16 billion to the cost of health care coverage for individuals, small businesses, families, and Medicare Advantage seniors.

According to some estimates, the HIT will cost between 152,000 and 286,000 jobs over a decade, 57 percent of which will come from small businesses, including many manufacturers. Ultimately, the HIT will impact some 1.7 million small businesses, 11 million employees and the self-employed who purchase in the individual market, and 23 million employees who get their insurance coverage through their employers.

 Twice, Congress has wisely voted to delay the HIT. Congress must act quickly and vote to delay the HIT again; otherwise, the HIT will squeeze Michigan’s manufacturing businesses and threaten Michigan workers, whose positions are already vulnerable in our increasingly competitive economy.

Michigan’s elected officials should support Michigan’s small business community. Please support and help pass H.R. 1398 in order to extend the suspension of the HIT for 2020 and 2021.
and help keep insurance premiums affordable for Michigan's small businesses and hard-working families across the state.

Sincerely,

[Signature]

Delaney McKinley
Senior Director of Government Affairs and Membership