
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 592 Session of 2015

INTRODUCED BY SAINATO, KOTIK, SAYLOR, D. COSTA, READSHAW,
MAHONEY, BARRAR, IRVIN, WATSON, GIBBONS, KLUNK, McNEILL,
COHEN, GROVE, MOUL, KORTZ, BISHOP, DRISCOLL, O'NEILL, BAKER,
DONATUCCI AND GILLEN, NOVEMBER 18, 2015

REFERRED TO COMMITTEE ON HEALTH, NOVEMBER 18, 2015

A RESOLUTION

1 Urging the Congress of the United States to repeal the "Cadillac
2 tax" provision of the Patient Protection and Affordable Care
3 Act.

4 WHEREAS, Beginning in 2018, the Patient Protection and
5 Affordable Care Act (PPACA) requires the imposition of an annual
6 40% excise tax on health care plans with annual premiums
7 exceeding \$10,200 for individuals or \$27,500 for families; and

8 WHEREAS, Also known as the "Cadillac tax," the 40% excise tax
9 is not a deductible business expense and will force plan
10 administrators to pay income tax on the excise tax, subsequently
11 increasing the impact of the tax; and

12 WHEREAS, The 40% tax penalizes employers for health care cost
13 factors they cannot control, such as higher numbers of disabled
14 workers, unusual cases of high-cost health problems, premature
15 babies, larger families, locations in high-cost areas, employer
16 size and industry type, such as manufacturing or law
17 enforcement; and

1 WHEREAS, Employers, labor unions and municipalities are
2 anticipating this massive tax by preparing to increase
3 deductibles, reduce benefits and shift costs to consumers and
4 property tax payers alike; and

5 WHEREAS, The "Cadillac tax" places an unnecessary burden on
6 employees throughout this country and unfairly punishes
7 Americans for purchasing plans that the Federal Government
8 determines to be excessive; and

9 WHEREAS, While the tax was intended to reduce the cost of
10 health care, it will ultimately hurt middle class Americans by
11 adding extra costs as employers offer the same plans with
12 greater costs or reduced benefits, which is the opposite of the
13 PPACA's stated goals; and

14 WHEREAS, Failing to repeal this tax will result in cuts to
15 benefits and disease prevention programs and will decrease the
16 overall quality of health care coverage; and

17 WHEREAS, S. 2045, the "Middle Class Health Benefits Tax
18 Repeal Act of 2015"; S. 2075, "American Worker Health Care Tax
19 Relief Act of 2015"; H.R. 879, "Ax the Tax on Middle Class
20 Americans' Health Plans Act"; and H.R. 2050, "Middle Class
21 Health Benefits Tax Repeal Act of 2015" are bipartisan
22 approaches which repeal the "Cadillac tax"; and

23 WHEREAS, As policymakers, we should not deter employers from
24 offering high-quality health care coverage to their employees,
25 but instead ensure that high-quality health care coverage is
26 available for all Americans, especially those with serious
27 health problems and our senior citizens; therefore be it

28 RESOLVED, That the House of Representatives of the
29 Commonwealth of Pennsylvania strongly urge the Congress of the
30 United States to repeal the "Cadillac tax" provision of the

1 Patient Protection and Affordable Care Act; and be it further
2 RESOLVED, That the House of Representatives of the
3 Commonwealth of Pennsylvania urge Congress to support S. 2045,
4 S. 2075, H.R. 879, H.R. 2050 or any other proposal that repeals
5 the "Cadillac tax"; and be it further
6 RESOLVED, That copies of this resolution be transmitted to
7 each member of Congress from Pennsylvania.