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Council applauds introduction of Senate bill to eliminate ‘Cadillac Tax’

Hundreds of lawmakers in both chambers support repeal effort

WASHINGTON, DC – “The so-called ‘Cadillac Tax’ is a scourge on employer-provided health insurance and needs to be repealed,” said American Benefits Council President James A. Klein upon the introduction of the bipartisan [Middle Class Health Benefits Tax Repeal Act \(S. 684\)](#), the Senate companion to an identical measure proposed in the U.S. House of Representatives.

Starting in 2022, a 40 percent “Cadillac Tax” will be imposed on employer-sponsored coverage that exceeds certain thresholds. “Employers are the most common source of health coverage in the United States, benefitting more than 181 million men, women and children. This 40 tax was intended to drive down costs, which is [a worthy cause](#). But its far more likely effect will be to increase deductibles and out-of-pocket costs for beneficiaries – significantly, in some cases,” Klein said.

S. 684, sponsored by Senators Martin Heinrich (D-NM) and Mike Rounds (R-SD), is the companion to [H.R. 748](#), introduced on January 24 by Joe Courtney (D-CT) and Mike Kelly (R-PA). The Senate bill is being introduced with 20 bipartisan cosponsors, joining the more than 220 lawmakers who have already signed on to the House bill.

“We are grateful for the continued leadership of Senator Heinrich, a longtime champion on this issue, and we welcome Senator Rounds to this important effort. They join representatives Courtney and Kelly – and hundreds of others in Congress – in opposing this ill-conceived tax. We intend to work toward repeal of the ‘Cadillac Tax’ at every opportunity this year,” Klein said.

For more information on health policy, or to arrange an interview with Klein or Ilyse Schuman, senior vice president, health policy, contact Jason Hammersla, Council vice president, communications, at jhammersla@abcstaff.org or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

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