

March 2, 2016

The Honorable Charles Grassley
U.S. Senate
135 Hart Office Building
Washington, DC 20510

The Honorable Heidi Heitkamp
U.S. Senate
502 Hart Office Building
Washington, DC 20510

The Honorable Charles Boustany, M.D.
U.S. House of Representatives
1431 Longworth House Office Building
Washington, DC 20515

The Honorable Mike Thompson
U.S. House of Representatives
231 Cannon House Office Building
Washington, DC 20515

Dear Senators Grassley and Heitkamp and Representatives Boustany and Thompson:

On behalf of the undersigned businesses, national, state and local trade associations, and organizations representing millions of American workers and their families, we write in support of the *Small Business Healthcare Relief Act* (S. 1697/H.R. 2911). We appreciate your leadership in introducing this legislation, which will allow small businesses to provide Health Reimbursement Arrangements (HRAs) to employees with health insurance. These HRAs will permit businesses to offer pre-tax dollars to insured employees to help pay premiums and/or other out-of-pocket costs associated with medical care and services.

In 2013, the Internal Revenue Service issued guidance dictating that all employers that fail to offer a group health plan, but provide tax preferred dollars through an HRA for their workers to pay health insurance premiums or other direct medical expenses, will be fined \$100 per day, per employee. Over the course of a year, that's \$36,500 per employee and up to \$500,000 in total. This \$100 per day penalty went into effect on July 1, 2015.

The *Small Business Healthcare Relief Act* will allow small businesses that are not subject to the shared responsibility provision to provide HRAs to help their workers and families pay for premiums and/or other medical expenses. This provides small employers with necessary additional flexibility and allows those small companies – the majority of whom do not have human resource departments or benefits specialists – a simpler, easier way to help their employees with rising medical costs.

This is a bipartisan opportunity to improve affordable health care options for small businesses, and we urge Congress to move swiftly to pass this vital legislation so that more small employers can help their workers defray the high cost of insurance premiums and/or other out-of-pocket medical expenses. Thank you for considering our views.

Sincerely,

American Dental Association
American Farm Bureau Federation
American Rental Association
Associated Builders and Contractors

Associated General Contractors
Auto Care Association
Communicating for America, Inc.
Council for Affordable Health Coverage
Evolution1, Inc. – a WEX Company
Family Business Coalition
Healthcare Leadership Council
Heating, Air-conditioning and Refrigeration Distributors International
Insurance Benefits & Advisors, LLC
International Franchise Association
The Latino Coalition
National Association for the Self-Employed
National Association of Home Builders
National Association of Manufacturers
National Association of the Remodeling Industry
National Association of Towns and Townships
National Association of Wholesaler-Distributors
National Club Association
National Federation of Independent Business
National Grange
National Restaurant Association
National Retail Federation
National Small Business Association
Padgett Business Services
Retail Industry Leaders Association
Service Station Dealers of America and Allied Trades
Small Business & Entrepreneurship Council
Small Business Council of America
Small Business Legislative Council
Small Business Majority
Society of American Florists
Tire Industry Association
U.S. Chamber of Commerce
Zane Benefits

State and Local

Acadian Home Builders Association
Alabama Restaurant & Hospitality Alliance
Alabama Tire Dealers Association
Alaska Chamber of Commerce
Alliance of Automotive Service Providers – Minnesota
Alliance of Automotive Service Providers – Missouri
Alliance of Automotive Service Providers of Pennsylvania
Ames Chamber of Commerce
Arizona Chamber of Commerce and Industry

Arkansas State Chamber of Commerce
Associated Oregon Industries
Association of Washington Business
Automotive Aftermarket Association of the Carolinas and Tennessee, Inc
Automotive Aftermarket Association Southeast
Builders Association of Northern Nevada
Business Council of Alabama
Business Council of New York State
The Business and Industry Association of New Hampshire
California, Nevada, Arizona Automotive Wholesalers Association
California Restaurant Association
The Chamber of Reno, Sparks, and Northern Nevada
Colorado Association of Commerce & Industry
Colorado Restaurant Association
Connecticut Restaurant Association
Dakota County Regional Chamber
Delaware State Chamber of Commerce
Dubuque Area Chamber of Commerce
Florida Chamber of Commerce
Florida Restaurant & Lodging Association
Georgia Chamber of Commerce
Georgia Restaurant Association
Greater North Dakota Chamber of Commerce
Greater Providence Chamber of Commerce
Hawaii Restaurant Association
Home Builders Association of Delaware
Home Builders Association of Greater Cincinnati
Home Builders Association of Greater New Orleans
Home Builders Association serving Portage and Summit Counties
Idaho Lodging & Restaurant Association
Illinois Chamber of Commerce
Illinois Restaurant Association
Independent Garage Owners of North Carolina
Indiana Chamber of Commerce
Indiana Restaurant & Lodging Association
Iowa Association of Business and Industry
Iowa Farm Bureau Federation
Iowa Restaurant Association
Kansas Chamber of Commerce
Kansas Restaurant & Hospitality Association
Kentucky Chamber of Commerce
Kentucky Restaurant Association
Las Vegas Metro Chamber
Louisiana Association of Business & Industry
Louisiana Home Builders Association
Louisiana Restaurant Association

Maine Restaurant Association
Maine State Chamber of Commerce
Marshall Area Chamber of Commerce
Massachusetts Restaurant Association
Metropolitan Milwaukee Association of Commerce
Michigan Automotive Parts Association
Michigan Chamber of Commerce
Michigan Restaurant Association
Michigan Tire and Vehicle Repair Association
Midwest Automotive Parts & Service Association
Minnesota Chamber of Commerce
Minnesota Restaurant Association
Minnesota Service Station & Convenience Store Association
Mississippi Restaurant Association
Missouri Chamber of Commerce
Missouri Restaurant Association
Montana Chamber of Commerce
Montana Equipment Dealers Association
Montana Tire Dealers Association
Nebraska Chamber of Commerce and Industry
Nebraska Restaurant Association
Nevada Restaurant Association
New Hampshire Lodging & Restaurant Association
New Jersey Gasoline, C-Store, Automotive Association
New Jersey Restaurant Association
New Jersey State Chamber of Commerce
New Mexico Restaurant Association
New York State Association of Service Stations and Repair Shops, Inc.
New York State Automotive Aftermarket Association
New York State Restaurant Association
North Carolina Chamber of Commerce
North Carolina Restaurant & Lodging Association
North Carolina State Grange
North Carolina Tire Dealers Association
North Coast Building Industry Association
North Dakota Association of Home Builders
North Dakota Hospitality Association
Ohio Chamber of Commerce
Ohio Home Builders Association
Ohio Restaurant Association
Oklahoma Restaurant Association
Oregon Home Builders Association
Oregon Restaurant & Lodging Association
Pennsylvania Association of Automotive Trades
Pennsylvania Chamber of Commerce
Pennsylvania Restaurant & Lodging Association

Pennsylvania State Grange
Restaurant Association of Maryland
Rhode Island Hospitality Association
Richfield Chamber of Commerce
Salt Lake Chamber
Southern Arizona Home Builders Association
Southwest Car Wash Association
South Carolina Chamber of Commerce
South Carolina Restaurant & Lodging Association
South Dakota Retailers Association
State Chamber of Oklahoma
Tennessee Chamber of Commerce and Industry
Tennessee Hospitality & Tourism Association
Texas Association of Business
Texas Independent Automotive Association
Texas Restaurant Association
Texas Tire Dealers Association
TwinWest Chamber of Commerce
Utah Restaurant Association
Virginia Automotive Association
Virginia Chamber of Commerce
Virginia Restaurant, Lodging & Travel Association
Volusia Building Industry Association
Washington Automotive Industry Association
Washington Maryland Delaware Service Station and Automotive Repair Association
Washington Restaurant Association
West Virginia Chamber of Commerce
Winona Area Chamber of Commerce
Wisconsin Automotive Care Association
Wisconsin Automotive Parts Association
Wisconsin Manufacturers & Commerce
Wisconsin Restaurant Association
Wyoming State Chamber of Commerce