



SMC Business Councils
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April 21, 2017

The Honorable Tim Murphy
504 Washington Road
Pittsburgh, PA 15338

Dear Congressman Murphy:

On behalf of SMC Business Councils and the hundreds of businesses we represent throughout Pennsylvania, I'm writing to ask for your support in a one-year delay of the Health Insurance Tax (HIT) to be included in the bill Congress must pass at the end of the month to keep the government funded.

In 1944, SMC Business Councils was formed as an alliance of smaller manufacturers pursuing World War II contracts. Over the years, SMC has diversified its ranks to include N2B companies, non-profits, professional services companies and other small businesses. While we have a varied membership, our core values are unifying.

One issue of highest importance is protecting our member businesses from burdensome taxes such as the HIT that is set to come back in 2018. With health insurance premiums on a steady rise each year, small businesses are already struggling to stay afloat and remain competitive. If the HIT comes back in 2018, small businesses will be forced to switch to bare-bones health plans for employees or even drop coverage all together.

It is estimated that the HIT would cost small businesses \$500 per employee per year. That means a local business with just 10 employees would be hit with an additional \$5,000 tax in 2018. I think we can agree that if a business is saddled with that kind of financial burden, there will be no choice but to make cuts in other areas. This could mean no new equipment, investments or hires for the foreseeable future as businesses brace for uncertain expenses.

We need to support policies that promote stability and innovation and not ones that create barriers to growth. Please stand up for small business and for our local economies and vote for a one-year delay of the HIT in 2018.

Sincerely,

A handwritten signature in blue ink that reads 'Eileen Anderson'.

Eileen Anderson
Director, Government Relations
SMC Business Councils