



# The Washington Report

**The Newsletter of the National Association of Police Organizations**  
*Representing America's Finest*

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**July 19, 2019**

## **NAPO Victory! House Passes Cadillac Tax Repeal**

On July 17, the House overwhelmingly passed the Middle Class Health Benefits Tax Repeal Act (H.R. 748) by a vote of 419-6. This is an incredible step forward for our efforts to repeal the 40 percent excise tax (“Cadillac Tax”) on employer-sponsored health plans. This has been a high priority for NAPO for the last several sessions of Congress.

While the bill passed the House with resounding support, the repeal of the “Cadillac Tax” has a \$193 billion 10-year price tag attached to it that will make its passage an uphill battle in the Senate. This price tag is based on the revenue the tax is estimated to bring in through an increase in federal payroll taxes due to employers using the health care savings gained from offering cheaper plans to increase worker wages. NAPO believes this number is highly inaccurate as studies have shown that a majority of employers planning to reduce their plan values have indicated they most likely would not provide a corresponding wage increase. Further, there is little evidence that employer who have already reduced their plan values have used those savings to provide higher wages. Without wage increases, there is no revenue to lose.

The Cadillac Tax is not just a tax on health plans; it is a loss of earned wages and benefits. Over the years, law enforcement officers through collective bargaining have often given up pay increases in order to secure better health care coverage. Under the excise tax, they are being penalized for entering into those good faith agreements with their employing jurisdictions. If the Cadillac Tax is allowed to be implemented, it will force public safety employees to pay the tax in the form of wage cuts, higher premiums, increased out-of-pocket costs, and lower benefits.

NAPO thanks Rep. Joe Courtney (D-CT) for his steadfast efforts to repeal the Cadillac Tax and we thank House leadership and Ways and Means Chairman Richard Neal (D-MA) for working with Rep. Courtney to support and allow this important vote. We now turn our efforts to moving it in the Senate.

**Please monitor NAPO’s website, [www.napo.org](http://www.napo.org), and Facebook page: National Association of Police Organizations, and follow us on Twitter at NAPOpolice for breaking news and updates.**