

December 2, 2015

The Honorable Al Pscholka
Chairman, House Appropriations Committee
351 Capitol Building
Lansing, MI 48909

Dear Chairman Pscholka:

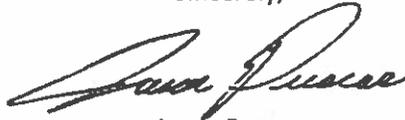
Serving the business community for more than 100 years, the Detroit Regional Chamber takes pride in advocating on behalf of businesses throughout the city and region. As one of the most influential chambers of commerce in the country, our members look for us to collaborate with government partners in support of Michigan's reinvention and continued economic growth. We accomplish this through our four pillars of economic development, regional collaboration, education reform, and providing value to our members.

The Chamber stands in opposition to House Bill 5105 due to the avoidable \$250 million annual tax increase it will impose on Michigan's employers, in the form of an extended Health Insurance Claims Assessment (HICA). This legislation is counterintuitive to the efforts of the past few years to make Michigan a more attractive place to do business, invest capital, and create jobs, by extending a temporary tax which makes Michigan uniquely anticompetitive among peer and neighbor states.

This is particularly discouraging in that this legislation is not necessary. The tax revenue generated by the use tax on health management organizations (HMO's) have exceeded projections to the extent that HICA tax payers are expected to see refunds for the current fiscal year. Instead of properly allowing the HICA tax to naturally phase out, this legislation takes the opposite approach by permitting the tax to increase, eliminating the current 0.75% cap.

The Chamber stood vocally in favor of responsible health care reform and the implementation of Healthy Michigan. Now is the time to finish that reform by providing a proper and sustainable funding source so that these services can continue to be provided to Michigan's residents. The good news is that, on this particular occasion, the only action this legislature needs to take is none at all. The Chamber urges you to allow the HICA to phase out as planned, and avoid action on House Bill 5105.

Sincerely,



Jason Puscas
Director, Government Relations

CC: Members of the Appropriations Committee
Michigan House of Representatives