



From NADA's Legislative Office...

# ACTION ALERT



IMMEDIATE RESPONSE REQUESTED

December 23, 2009

## HEALTHCARE BILL STILL HARMFUL FOR DEALERS: ASK SENATORS TO OPPOSE

The Senate will take a final vote on the controversial health care bill (H.R. 3590) on Thursday morning. This legislation will ultimately increase the cost of doing business for dealers through new taxes and mandates which could cost dealers as much as \$750 per employee if just one employee opts out of dealer-offered coverage for the new insurance market created under this bill.

If the Senate passes this legislation it must be reconciled with the House-passed healthcare bill (H.R. 3962), which contains even more new taxes and mandates.

### **ACTION NEEDED**

Dealers are urged to call their Senators at 202-224-3121 and tell them to oppose H.R. 3590 (Senate version)

When talking to Senate offices about H.R. 3590, use the following talking points:

#### **Employer mandate encourages job cuts, not creation**

NADA opposes the “pay or play” fee on business, which would charge dealers with more than 50 employees \$750 per employee if just one employee declines coverage and receives a government subsidy for an individual plan. Since lower wage workers are more likely to qualify for such a plan, this will discourage dealers from hiring more entry level employees.

#### **Small business exemption too narrow**

Only employers with 50 employees are exempt from the \$750 penalty. The average dealership has 52 employees, but is by no means a “big business” in the world of employer-provided health insurance.

#### **Fails to significantly reduce costs for small business**

Every independent analysis of the bill has concluded that the legislation will fail to substantially reduce insurance costs for businesses of 50 employees or less, which was supposedly one of the key objectives of the bill.

#### **Inadequate small business tax credit**

The full small business tax credit is only available to small business with average wages below \$20,000 and phases out at \$40,000. The average dealership salesperson makes over \$40,000 a year, so the bill would in effect punish dealer small businesses for paying a higher average wage.