



HUMAN
RIGHTS
CAMPAIGN

July 16, 2009

The Honorable Charles Rangel
Chairman, Committee on Ways and Means
United States House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Rangel:

On behalf of the Human Rights Campaign (HRC) and our more than 750,000 members and supporters, I thank you for your leadership and commitment in eliminating the inequitable taxation of employer-provided domestic partner health benefits as part of the health reform bill which the Ways and Means Committee will consider today. Addressing this issue, which is of critical importance to the nation's lesbian, gay, bisexual and transgender (LGBT) community, will ensure that LGBT families have greater health and economic security.

Today, over 57% of the Fortune 500 offer health benefits to the same-sex partners of their employees. While these benefits are welcomed by employees, they come with a significant financial burden. The employee must pay taxes on the value of the partner's coverage. For an average wage worker making \$33,000 with a typical employer health plan, the additional income and payroll tax liability is more than \$1,700 per year. This is 54% more than the tax burden of employees who adopt spousal health coverage. The additional tax bill often affects whether same-sex families can afford to take the coverage at all and increases the rolls of the uninsured.

The provisions added to the Chairman's mark would eliminate the added tax burden incurred by same-sex partners, as well as other non-spouse, non-dependent beneficiaries who are offered employer health benefits. These provisions mirror the Tax Equity for Health Plan Beneficiaries Act (H.R. 2625), introduced by Reps. McDermott and Ros-Lehtinen earlier this year. That measure has garnered the support of a 63-member Business Coalition for Benefits Tax Equity, many of whom rank among the Fortune 500.

Removing the current tax penalties clearly advances the goal of expanding health insurance coverage. It also achieves equity in the availability of that coverage. This is a significant and tangible benefit for the LGBT community. As the process moves forward, HRC is committed to working with you and your colleagues to see that the America's Affordable Health Choices Act, with the tax equity provision, reaches the President's desk.

If you have any questions, please do not hesitate to contact Allison Herwitt, Legislative Director, at 202.216.1515 or Allison.Herwitt@hrc.org.

Thank you for your support of the LGBT community on this critically important issue.

Sincerely,

Joe Solmonese, President
Human Rights Campaign