

July 23, 2009

Dear Representative:

We wish to express our strong support for the proposals to pay for health care reform that will soon be before the full House of Representatives. The undersigned national organizations believe the revenues provided in the America's Affordable Health Choices Act meet the tests of adequacy, fairness, and responsibility.

Expanding and improving health coverage for millions of Americans is essential, both to protect our people's health and to secure our economic future. Affordability must be a cornerstone of health care reform. We must not force Americans who already are struggling to pay their health care costs and other bills to shoulder too high a burden.

The surcharge to be applied to joint tax filers with incomes above \$350,000 (or individuals with incomes above \$280,000) would raise at least \$540 billion over 10 years. This is a stable and ample funding source that, when combined with savings and other sources of revenue identified in the House legislation, will sustain the comprehensive health coverage that the nation so badly needs for the foreseeable future. These revenues will help make health coverage available and affordable for millions of people.

The revenues raised in the America's Affordable Health Choices Act are fair. The surcharge is limited to the wealthiest 1.2 percent of taxpayers. After-tax incomes of the top 1 percent have grown faster than any other income group, by 256 percent from 1979 to 2006. At the same time, the effective federal tax rate for the top one percent has declined from 36 percent in 1995 to about 31 percent in 2006. The amount raised by the surcharge is still far below the \$700 billion this income group gained from the tax cuts enacted since 2001. The proposal is made even more equitable by graduating the surcharge so that married couples with incomes of \$350,000 - \$500,000 pay 1 percent, couples with \$500,000 - \$1 million pay 1.5 percent, and those with incomes exceeding \$1 million pay 5.4 percent. And it will have *no* impact on the vast majority of small businesses. The Tax Policy Center, Joint Committee on Taxation, and Citizens for Tax Justice have all estimated that 95 percent or more of small businesses would *not* be subject to the surcharge.

The revenue choices approved by the House Committee on Ways and Means are highly responsible. They will allow us to invest in critically needed health coverage without saddling future generations with unsustainable levels of debt.

We congratulate the drafters of the House legislation for including equitable funding sources to ensure that low- and middle-income families and individuals can afford comprehensive health coverage and urge all Members to support these provisions.

Sincerely,

9to5, National Association of Working Women

AFL-CIO

American Federation of Government Employees

American Federation of State, County and Municipal Employees (AFSCME)

American Friends Service Committee

Americans for Democratic Action

Americans United for Change

Association of Community Organizations for Reform Now (ACORN)

Association of Farmworker Opportunity Programs

Campaign for America's Future
Campaign for Community Change
Center for Law and Social Policy (CLASP)
Children's Defense Fund
Citizens for Tax Justice
Class Action
Coalition on Human Needs
Community Action Partnership
CREDO Mobile
Every Child Matters
Families USA
Friends Committee on National Legislation
Health Care for America Now
Institute for Policy Studies-Cities for Progress
Institute for Policy Studies-Program on Inequality and Common Good
Kids Project
Leadership Conference of Women Religious
Legal Momentum
Lutheran Services in America
Ms. Foundation for Women
National Assembly on School-Based Health Care
National Association of Social Workers
National Coalition for the Homeless
National Latina Health Network
National Low Income Housing Coalition
National Organization for Women
National Policy and Advocacy Council on Homelessness
National Priorities Project
National Puerto Rican Coalition Inc.
National Tongan American Society
National WIC Association
National Women's Conference Committee
National Women's Health Network
National Women's Law Center
NETWORK: A National Catholic Social Justice Lobby
OMB Watch
OWL - The Voice of Midlife and Older Women
PolicyLink
Responsible Wealth
RESULTS
Sargent Shriver National Center on Poverty Law
Service Employees International Union (SEIU)
The National Advocacy Center of the Sisters of the Good Shepherd
TrueMajority.org
United Church of Christ, Justice and Witness Ministries
United for a Fair Economy
USAction
Vote Kids
Wealth for the Common Good
Wider Opportunities for Women (WOW)
Winning Connections