October 1, 2015

The Honorable John Koskinen
Commissioner
Internal Revenue Service
P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

RE: Notice 2015-52

Dear Sir:

The Connecticut Conference of Municipalities (CCM) – Connecticut's association of towns and cities – urges you to consider costs to local government when considering imposition of the 40% excise tax, or "Cadillac Tax" for the Patient Protection and Affordable Care Act.

We urge you to consider the financial effect this tax burden this will place on towns and cities. CCM conducted a quick survey in May 2015 of 30 towns regarding the Tax. The costs for just those towns is $30 million! In Connecticut, this will mean (a) increased property taxes, (b) cuts in essential local services and/or (c) additional employee layoffs.

We also urge you to consider that the IRS tracking employee contributions to the individual Health Savings Accounts is extremely cumbersome. This extra step in an already complex process will cause municipalities to designate more employee time to determining what individual employees owe in excise tax. This is one example of why employee contributions should not be part of the calculation of the excise tax.

If you have any questions, please contact me at rthomas@ccm-ct.org or 203-430-5537.

Thank you for your time and consideration.

Sincerely,

Ronald W. Thomas
Deputy Director