

Thursday, March 3, 2011

Washington, D.C. – Congressman Ben Ray Luján of New Mexico’s Third District voted against legislation today that would fix a provision of health insurance reform by raising taxes on working families. The bill addresses the 1099 reporting requirement for small businesses and is paid for by a \$25 billion tax increase on the middle class.

“It’s a shame that Republicans took an issue that everyone agrees needs to be fixed to reduce the burden on small businesses and are paying for it on the backs of hard-working families with a tax increase,” Congressman Luján said. “I have always said if there are aspects of health insurance reform that can be improved, then we should do so. But we should not make those changes at the expense of hard-working New Mexicans families. This is just the latest Republican attack on a shrinking middle class that is too often struggling to make ends meet.”

Luján supported Democratic efforts last year to revise the 1099 provision to help small businesses. That bill was paid for by closing tax loopholes that allowed corporations to ship jobs overseas.

Under health insurance reform, middle-class families will receive tax credits to help them afford the cost of health insurance. Families that earn up to 400 percent of the poverty level are eligible for these credits. Families whose incomes fluctuate year-to-year are at risk of earning slightly more than the cap in a given year. Under current law, these families would be protected from high unexpected tax hikes when they exceed the cap. The Republican bill eliminates these protections and would leave families that make even one dollar more than the cap with the burden of paying back the entire tax credit, which could be as high as almost \$12,000.

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