



May 19, 2022

The Honorable Mike Thompson  
U.S. House of Representatives  
268 Cannon House Office Building  
Washington, DC 20515

The Honorable Adrian Smith  
U.S. House of Representatives  
502 Cannon House Office Building  
Washington, DC 20515

Dear Representatives Thompson and Smith:

We write to share our strong support and endorsement of H.R. 7774, the *Commonsense Reporting Act*. We are grateful for your longstanding leadership on this important effort to bring clarity to the Affordable Care Act's tax credit eligibility and employer information reporting processes under the Internal Revenue Code. We believe that introduction of bipartisan bicameral legislation to reform ACA reporting will help resolve this issue at long last to the great benefit of employees and employers.

The Partnership for Employer-Sponsored Coverage (P4ESC) is a coalition of employment-based organizations and trade associations representing businesses of all sizes and the more than 181 million American employees and their families who rely on employer-sponsored coverage every day. We are committed to ensuring that employer-sponsored coverage is strengthened and remains a viable, affordable option for decades to come.

The information process currently required under the ACA's tax Code sections 6055 and 6056 is unnecessarily complex for employers and individuals. H.R. 7774 provides an alternative pathway whereby data currently reported to the IRS during the year-end tax filing season is instead reported prior to regular health insurance Exchange open enrollment season before the beginning of a new coverage year. The prospective reporting option created under the legislation aids consumers, employers, Exchanges, and the IRS in better navigating the ACA tax credit eligibility and employer information reporting processes.

H.R. 7774 provides: individuals with more consumer-focused data during Exchange health coverage enrollment by including information on employer-sponsored coverage in the Data Hub used by federal and state Exchanges to verify eligibility; employers with reporting compliance relief, and mitigates possible threats of tax penalties and additional accounting and legal costs incurred appealing a 226-J tax penalty notice; and Exchanges and the IRS with an additional tool to more easily verify tax credit and subsidy eligibility. The legislation also protects Social Security numbers and modernizes the flow of information to consumers.

Again, thank you for your longstanding leadership on this important issue. We look forward to working with you and your colleagues in a bipartisan manner to enact H.R. 7774. If we can be of

Partnership for Employer-Sponsored Coverage

May 20, 2022

Page 2

help to you, please have your staff contact P4ESC's Executive Director Neil Trautwein at [eneiltrautwein@gmail.com](mailto:eneiltrautwein@gmail.com).

Sincerely,

Partnership for Employer-Sponsored Coverage

[www.p4esc.org](http://www.p4esc.org)