



## PARTNERSHIP FOR EMPLOYER-SPONSORED COVERAGE

September 22, 2021

The Honorable Mike Thompson (CA-05)  
U.S. House of Representatives  
268 Cannon House Office Building  
Washington, D.C. 20515

The Honorable Adrian Smith (NE-03)  
U.S. House of Representatives  
502 Cannon House Office Building  
Washington, D.C. 20515

Dear Representatives Thompson and Smith:

As members of the Partnership for Employer-Sponsored Coverage, we write with our endorsement of the Commonsense Reporting Act of 2021 (H.R. 5318). We are grateful for your leadership on this important effort to bring clarity to the Affordable Care Act's (ACA) tax credit eligibility and employer information reporting processes under the Internal Revenue Service (IRS).

The information process currently required under the ACA's tax Code sections 6055 and 6056 is unnecessarily complex for employers and individuals. H.R. 5318 provides a pathway whereby data currently reported to the IRS during 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. 5318 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 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 leadership on this critical issue. We look forward to working with you and your colleagues in a bipartisan manner to enact H.R. 5318.

Sincerely,

American Hotel & Lodging Association  
American Rental Association  
Associated Builders and Contractors, Inc.  
Associated General Contractors of America  
Auto Care Association  
Business Group on Health  
The Council of Insurance Agents & Brokers  
The ERISA Industry Committee (ERIC)  
FMI – The Food Industry Association

HR Policy Association  
National Association of Health Underwriters  
National Association of Wholesaler-Distributors  
NFIB – National Federation of Independent Business  
National Restaurant Association  
National Retail Federation  
Retail Industry Leaders Association



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