OPENING STATEMENT
AS PREPARED FOR DELIVERY

SMALL BUSINESS COMMITTEE

Opening Statement of
Chairman Tim Huelskamp
Subcommittee on Economic Growth, Tax and Capital Access
Committee on Small Business
Hearing: *Lip Service but Little Else: Failure of the Small Business Health Insurance Tax Credit*
AS PREPARED FOR DELIVERY
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Good morning. Thank you all for being with us today. I call this hearing to order.

Six years ago tomorrow, the Patient Protection and Affordable Care Act of 2010, otherwise known as Obamacare, was enacted. It imposed a host of new obligations and taxes on insurance companies, individuals, and employers, including small businesses. These new burdens included an individual mandate – which requires that most individuals have health insurance – and an employer mandate – requiring that employers provide health insurance for their employees. In both cases, noncompliance results in significant penalties.

Fortunately, employers with fewer than 50 employees were exempted from the employer mandate. However, their employees are still subject to the individual mandate and must have insurance. And, as we all know, many businesses with more than 50 employees can hardly be termed large, yet those businesses are ineligible for the exemption.

In order to provide an incentive for the smallest of the small – those employers with fewer than 25 employees – to provide employee health insurance, a small business health insurance tax credit was included to offset the cost to the employer. Like so many other parts of Obamacare, this was another case of over-promise and under-deliver.

Multiple assessments, both during initial implementation and now today, years down the road, have made it abundantly clear – the credit scheme is so cumbersome and poorly designed that it is largely ineffective. As the credit's useful life comes to a close, today's hearing will reevaluate its efficacy from several different perspectives.

I'd like to thank our witnesses for coming today and I look forward to your testimony. I now yield to Ranking Member Chu for her opening remarks.