



For Immediate Release: April 22, 2005

Barrow Offers Tax Credit Proposal to Help Small Businesses Provide Health Care Coverage

Plan would pool businesses together to reduce costs and increase accessibility

Athens, GA – Standing inside Jittery Joe’s Coffee Roasting Company, surrounded by a handful of local small business owners from across Athens, 12th District Congressman John Barrow (D-GA) today unveiled details of his upcoming legislative proposal to help America’s small businesses offer affordable, quality health care benefits to their workers.

“America’s small businesses are the backbone of our economy,” Barrow said. “And right now, that backbone is reaching its breaking point. Small businesses across Athens and across the country are feeling the crippling strain of skyrocketing health care costs, and that’s forcing too many businesses to cut out some health benefits all together.”

“The majority of uninsured in this country work for a living, but they either can’t afford the high cost of health care coverage, or the premium prices are too expensive for their employers to pay for,” Barrow continued. “You shouldn’t have to be a Fortune 500 Company just to afford basic health care benefits for your employees. It’s time Congress did more to help our small businesses offer health insurance as an affordable benefit for their workers.”

According to a June 2004 report by Families USA, 78% of uninsured Georgians under the age of 65 work for a living. And across America, over half of the country’s uninsured workers – more than 13 million people in 2003 – are self-employed or work for a small business with fewer than 50 employees.

Barrow’s proposal targets uninsured working Americans by offering self-employed individuals, or any small business owner with 50 employees or less, a tax credit equal to 50 percent of the employer’s cost of health insurance coverage. Scheduled to last four years, the tax credit would help defray the cost of health insurance, while also providing an incentive for those businesses not currently offering coverage to do so. In addition to the tax credit, the bill creates permanent state and national multi-insurer pools to provide comprehensive and affordable health insurance choices to small employers and the self-employed participating in the plan.

Among the local small business owners standing with Rep. Barrow at today's press conference was Ted Hafer, owner of The Grit restaurant, located off Prince Avenue in Athens. Hafer described how rising health care premiums recently forced him to scale back the benefits he could offer some of his employees.

"Anyone who's ever run a small business knows that your employees are like family," Hafer said. "With already limited resources, the last thing we need to face are health care premiums that seem to grow exponentially each year. In the end, when you're forced to cut health benefits, it makes it that much harder to attract and retain good employees. And that complicates any business's ability to expand or grow."

Barrow, a member of the House Committee on Small Business, invited fellow Congressman Steny Hoyer of Maryland to join him for today's press conference. Hoyer, the Democratic Whip in U.S. House of Representatives, praised Barrow's efforts and described how Barrow's bill is a good step towards lowering the number of Americans who lack health insurance.

"John Barrow is a very effective Member of Congress because he listens closely to what his constituents have to say about the challenges they're facing every day," Hoyer said. "And then he proposes common sense solutions to help people overcome those challenges. This bill is a perfect example of John Barrow responding to the people he represents. Affordable health care is a big issue for small businesses and their employees and this bill would go a long way to helping put it within their reach."

Barrow plans to introduce the legislation, titled The Small Business Health Insurance Promotion Act of 2005, before the House of Representatives early next week.

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Contact: Harper Lawson, (202) 225-2823