IRS SOLICITS INPUT ON CADILLAC TAX:  
**COMMENTS DUE BY 10/1**

The Department of the Treasury and the Internal Revenue Service issued a request for information (RFI) related to the 40% excise tax, or “Cadillac Tax”, on high-cost employer coverage that will apply in 2018 — as it seeks to determine how it will administer the Tax. This is an opportunity to provide feedback to the IRS on several issues related to the Tax.

For more information on the Tax, please see CCM’s Management Bulletin, No. 15-10.

**YOUR ACTION NEEDED**

Please contact the IRS to provide the agency with a municipal perspective on the Tax (contact information below).

Tell the IRS:
- The financial effect this Tax burden this will place on your municipal, and if possible education, budget. Provide an estimated cost.
- Remind the IRS that tracking employee contributions to the individual Health Savings Accounts is extremely cumbersome. This extra step in an already complex process will cause your municipality to designate more employee time to determining what individual employees owe in excise tax. This is one example of why employee contributions should not be part of the calculation of the excise Tax.

Submit comments to notice.comments@irscounsel.treas.gov, and include “Notice 2015-52” in the subject line.

**Comments must be submitted by Thursday, October 1, 2015. The IRS plans to issue proposed regulations by early 2016, and finalize regulations by 2018.**

CCM will continue to update you on this issue, and the pending outcome of the IRS’s regulations.

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If you have questions regarding this bulletin, please contact Alex Beaudoin (abeaudoin@ccm-ct.org or 860-670-4021); or Kennedy Munro (kmunro@ccm-ct.org or 203-498-3071).