



COMPREHENSIVE LIST OF ALL TAX HIKES
IN THE FINANCE COMMITTEE HEALTH PLAN

October 12, 2009

- **Excise Tax on High-Cost Health Plans.** New 40% excise tax on health insurance plans to the extent they exceed \$26,000 in cost (\$9850 single). Exemptions made for over-55 retirees and “high-risk” professions; high-cost states phased in

- **Individual Mandate Tax.** If you don’t sign up for health insurance, you will have to pay a tax in the following range:

	Single	Family
100-300% FPL	\$750	\$1500
300+% FPL	\$900	\$1900

- **Employer Mandate Tax.** \$400 per employee if health coverage is not offered. *Note: this is a huge incentive to drop coverage, as \$400 is much less than the average plan cost of \$11,000 for families or \$5000 for singles* (Source: AHIP)

- **Backdoor Death of HSAs.** By requiring that all plans (besides the few that are grandfathered) provided actuarially-generous coverage for most services, there would be no HSA-qualifying plans available from the Massachusetts-like exchanges

- **Report Employer Health Spending on W-2.** This is clearly a setup for the easy individual taxation of employer-provided health insurance down the road.

- **Cap Flex-Spending Account (FSA) Contributions at \$2500.** Currently unlimited.

- **Eliminate tax deduction for employer-provided retirement Rx drug coverage in coordination with Medicare Part D**

- **Medicine Cabinet Tax.** Americans would no longer be able to purchase over-the-counter medicines with their FSA, HSA, or HRA

- **Increase Non-Qualified HSA Distribution Penalty from 10% to 20%.** This makes HSAs less attractive, and paves the way for HSA pre-verification

- **Corporate 1099-MISC Information Reporting.** Currently, only non-corporations providing property or services for a business must be issued at 1099-MISC. This would expand the requirement to corporations doing business with other businesses.

- **Various industry tax grabs based on market share.** \$2.3 billion PhRMA; \$6 billion health insurance providers; \$4 billion medical device manufacturers

- **Increase “haircut” of medical itemized deductions from 7.5% to 10% of adjusted gross income (AGI)**

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