

SUPREME COURT'S HEALTH LAW DECISION LEAVES IN PLACE 21 TAX HIKES COSTING TAXPAYERS MORE THAN \$675 BILLION

Total Tax Increase Could Exceed \$800 Billion When All Provisions Are Re-estimated

The Supreme Court's health care ruling leaves in place 21 tax increases enacted as part of that law, a dozen of which – marked with an asterisk (*) below – target Americans earning less than \$200,000 per year for singles and \$250,000 per year for married couples, in clear violation of the President's pledge to avoid tax hikes on low- and middle-income taxpayers. According to a [new estimate](#) from the non-partisan Joint Committee on Taxation (JCT) – which does not include updated scores for the individual mandate, the employer mandate, or certain other revenue effects – **the tax increases that remain on the books will cost taxpayers more than \$675 billion over the next ten years.** Based on the 2010 estimates for the provisions that have not yet been re-estimated – which likely understate their current scores because of the shift in the budget window since the law's enactment – it is likely that the total gross tax increase from the Democrats' health law will actually exceed \$800 billion over the next decade.

Provision	March 2010 Estimate (‘10-‘19)	June 2012 Re-Estimate (‘13-‘22)
Additional 0.9 percent payroll tax on wages and self-employment income and new 3.8 percent tax on dividends, capital gains, and other investment income for taxpayers earning over \$200,000 (singles)/\$250,000 (married)	210.2	317.7
“Cadillac tax” on high-cost plans *	32.0	111.0
Annual tax on health insurance providers *	60.1	101.7
Annual tax on drug manufacturers / importers *	27.0	34.2
2.3 percent excise tax on medical device manufacturers / importers *	20.0	29.1
Limit FSAs in cafeteria plans *	13.0	24.0
Raise 7.5 percent AGI floor on medical expense deduction to 10 percent *	15.2	18.7
Deny eligibility of “black liquor” for cellulosic biofuel producer credit	23.6	15.5
Codify economic substance doctrine	4.5	5.3
Increase penalty for nonqualified HSA distributions *	1.4	4.5
Impose limitations on the use of HSAs, FSAs, HRAs, and Archer MSAs to purchase over-the-counter medicines *	5.0	4.0
Impose fee on insured and self-insured health plans; patient-centered outcomes research trust fund *	2.6	3.8
Eliminate deduction for expenses allocable to Medicare Part D subsidy	4.5	3.1
Impose 10 percent tax on tanning services *	2.7	1.5
Limit deduction for compensation to officers, employees, directors, and service providers of certain health insurance providers	0.6	0.8
Modify section 833 treatment of certain health organizations	0.4	0.4
Additional requirements for section 501(c)(3) hospitals	Negligible	Negligible
Employer W-2 reporting of value of health benefits	Negligible	Negligible
Employer mandate *	52.0	Pending
Individual mandate *	17.0	Pending
Other revenue effects	60.3	Pending
1099 reporting for small businesses	17.1	Repealed by P.L. 112-9
TOTAL GROSS TAX INCREASE (BILLIONS OF DOLLARS)	569.2	675.3 (Partial Estimate) 804.6 when adding the 2010 estimates for the individual mandate, the employer mandate and other revenue effects (which likely understate their current scores)