JOINT COMMITTEE ON TAXATION
March 20, 2010
JCX-17-10

ESTIMATED REVENUE EFFECTS OF THE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 4872, THE "RECONCILIATION ACT OF 2010," AS AMENDED, IN COMBINATION WITH THE REVENUE EFFECTS OF H.R. 3590, THE "PATIENT PROTECTION AND AFFORDABLE CARE ACT ('PPACA')," AS PASSED BY THE SENATE, AND SCHEDULED FOR CONSIDERATION BY THE HOUSE COMMITTEE ON RULES ON MARCH 20, 2010

Fiscal Years 2010 - 2019

[Billions of Dollars]

Provision	Effective	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-14	2010-19
I. Revenue Provisions													
1. 40% excise tax on health coverage in excess of $10,200/$27,500 (subject to adjustment for unexpected increase in medical costs prior to effective date) and increased thresholds of $1,650/$3,450 for over age 55 retirees or certain high-risk professions, both indexed for inflation by CPI-U plus 1%; adjustment based on age and gender profile of employees; vision and dental excluded from excise tax; levied at insurer level; employer aggregates and issues information return for insurers indicating amount subject to the excise tax; nondeductible [1]	tyba 12/31/17	---	---	---	---	---	---	---	---	12.2	19.8	---	32.0
2. Employer W-2 reporting of value of health benefits	tyba 12/31/10	*Negligible Revenue Effect*											
3. Conform the definition of medical expenses for health savings accounts, Archer MSAs, health flexible spending arrangements, and health reimbursement arrangements to the definition of the itemized deduction for medical expenses (excluding over-the-counter medicines prescribed by a physician) [1]	tyba 12/31/10	---	0.4	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	2.1	5.0
4. Increase in additional tax on distributions from HSAs and Archer MSAs not used for qualified medical expenses to 20%	dma 12/31/10	---	[4]	[4]	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.3	1.4
5. Limit health flexible spending arrangements in cafeteria plans to $2,500; indexed to CPI-U after 2013 [1] [5]	tyba 12/31/12	---	---	---	1.5	2.1	2.1	2.0	1.9	1.7	1.7	3.6	13.0
6. Require information reporting on payments to corporations	pma 12/31/11	---	---	0.4	3.3	2.0	2.1	2.2	2.3	2.4	2.5	5.6	17.1

Provision	Effective	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-14	2010-19
7. Additional requirements for section 501(c)(3) hospitals	tyba DOE	*Negligible Revenue Effect*											
8. Impose annual fee on manufacturers and importers of branded drugs ($2.5 billion for 2011, $2.8 billion per year for 2012 and 2013, $3.0 billion per year for 2014 through 2016, $4.0 billion for 2017, $4.1 billion for 2018, and $2.8 billion for 2019 and thereafter)	cyba 12/31/10	---	2.2	2.9	2.9	2.9	2.9	2.9	3.4	4.0	2.9	10.9	27.0
9. Impose 2.3% excise tax on manufacturers and importers of certain medical devices	sa 12/31/12	---	---	---	1.8	2.7	2.8	3.0	3.1	3.2	3.4	4.5	20.0
10. Impose annual fee on health insurance providers ($8 billion in 2014, $11.3 billion in 2015 and 2016, $13.9 billion in 2017, $14.3 billion in 2018, and indexed to medical cost growth thereafter)	[3]	---	---	---	---	6.1	9.3	9.5	11.4	11.7	12.1	6.1	60.1
11. Study and report of effect on veterans health care	DOE	*No Revenue Effect*											
12. Eliminate deduction for expenses allocable to Medicare Part D subsidy	tyba 12/31/12	---	---	---	0.4	0.6	0.6	0.6	0.7	0.7	0.8	1.0	4.5
13. Raise 7.5% AGI floor on medical expenses deduction to 10%; AGI floor for individuals age 65 and older (and their spouses) remains at 7.5% through 2016	tyba 12/31/12	---	---	---	0.4	1.5	1.6	1.7	2.5	3.7	3.9	2.0	15.2
14. $500,000 deduction limitation on taxable year remuneration to officers, employees, directors, and service providers of covered health insurance providers	[6]	---	---	---	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.6
15. Broaden Medicare Hospital Insurance Tax Base for High-Income Taxpayers - additional HI tax of of 0.9% on earned income in excess of $200,000/$250,000 (unindexed) [1], and Unearned Income Medicare Contribution on 3.8% on investment income for taxpayers with AGI in excess of $200,000/$250,000 (unindexed)	tyba 12/31/12	---	---	1.3	20.5	16.6	29.3	32.7	34.8	36.6	38.5	38.3	210.2
16. Modification of section 833 treatment of certain health organizations	tyba 12/31/09	[4]	0.1	0.1	[4]	[4]	[4]	[4]	[4]	[4]	[4]	0.2	0.4
17. Impose 10% excise tax on indoor tanning services	spo/a 7/1/10	[4]	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	1.0	2.7
Total of Revenue Provisions		**[4]**	**2.9**	**5.5**	**31.9**	**35.6**	**51.8**	**55.8**	**61.3**	**77.5**	**86.9**	**75.8**	**409.2**
Other Provisions													
1. Provide income exclusion for specified Indian tribe health benefits	[7]	---	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
2. Simple cafeteria plan nondiscrimination safe harbor for certain small employers	tyba 12/31/10	*Negligible Revenue Effect*											
3. Qualifying therapeutic discovery project credit (sunset 12/31/10)	[8]	-0.4	-0.2	-0.1	-0.1	[2]	[2]	---	---	---	---	-0.9	-0.9
4. Exclusion for assistance provided to participants in State student loan repayment programs for certain health professionals	tyba 12/31/08	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-0.1

Provision	Effective	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-14	2010-19
5. Make the adoption credit refundable; increase qualifying expenses threshold, and extend the adoption credit through 2011	tyba 12/31/09	-0.2	-0.6	-0.5	[4]	---	---	---	---	---	---	-1.2	-1.2
6. Exclusion of unprocessed fuels from the cellulosic biofuel producer credit	fsoua 12/31/09	---	6.6	6.5	5.5	3.0	1.5	0.4	---	---	---	21.6	23.6
7. Codify economic substance doctrine and impose penalties for underpayments	teia DOE	0.1	0.3	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.6	1.8	4.5
8. Increase by 15.75 percentage points the required corporate estimated tax payments factor for corporations with assets of at least $1 billion for payments due in July, August, and September 2014	DOE	---	---	---	---	8.8	-8.8	---	---	---	---	8.8	---
Total of Other Provisions		**-0.5**	**6.1**	**6.4**	**5.9**	**12.3**	**-6.8**	**0.9**	**0.6**	**0.6**	**0.6**	**30.1**	**25.9**
Revenue-Related Provision - Impose Fee on Insured and Self-Insured Health Plans; Patient-Centered Outcomes Research Trust Fund	[9]	—	—	—	**0.1**	**0.3**	**0.3**	**0.4**	**0.4**	**0.5**	**0.7**	**0.4**	**2.6**
NET TOTAL		**-0.5**	**9.0**	**11.9**	**37.9**	**48.2**	**45.3**	**57.1**	**62.3**	**78.6**	**88.2**	**106.2**	**437.8**

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be May 1, 2010.

Legend for "Effective" column:

cyba = calendar years beginning after
dma = distributions made after
DOE = date of enactment
fsoua = fuel sold or used after
pma = payments made after
sa = sales after
spo/a = services performed on or after
teia = transactions entered into after
tyba = taxable years beginning after

[1] Estimate includes the following off-budget effects:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-14	2010-19
40% excise tax on health coverage	---	---	---	---	---	---	---	---	2.8	4.4	---	7.2
Conform the definition of medical expenses	---	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.6	1.4
Limit health flexible spending arrangements	---	---	---	0.4	0.6	0.5	0.5	0.5	0.4	0.4	1.0	3.4
0.9 percentage point increase to hospital insurance tax	---	---	---	0.5	-0.2	-0.1	[2]	[2]	[2]	-0.1	0.2	[4]

[2] Loss of less than $50 million.
[3] Effective for calendar years beginning after December 31, 2013; fee is allocated based on market share of net premiums written for any United States health risk for calendar years beginning after December 31, 2012.
[4] Gain of less than $50 million.
[5] Estimate includes interaction with the high premium excise tax.
[6] Effective for remuneration paid in taxable years beginning after 2012 with respect to services performed after 2009.
[7] Effective for health benefits and coverage provided after the date of enactment.
[8] Effective for amounts paid or incurred after December 31, 2008, in taxable years beginning after December 31, 2008.
[9] Effective for each policy plan year ending after September 30, 2012, but does not apply to policy years ending after September 31, 2019.