

JOINT COMMITTEE ON TAXATION
October 29, 2009
JCX-43-09

**ESTIMATED REVENUE EFFECTS OF POSSIBLE MODIFICATIONS TO THE REVENUE PROVISIONS OF H.R. 3962,
THE "AFFORDABLE HEALTH CARE FOR AMERICA ACT"**

Fiscal Years 2010 - 2019

[Billions of Dollars]

Provision	Effective	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-14	2010-19	
I. Reform Proposals														
A. Tax on Individual Without Acceptable Health Care Coverage.....	tyba 12/31/12	----- Estimate Provided by the Congressional Budget Office and the Joint Committee on Taxation [1] -----												
B. Election to Satisfy Health Coverage Participation Requirements.....	pba 12/31/12	----- Estimate Provided by the Congressional Budget Office and the Joint Committee on Taxation [1] -----												
C. Health Care Contributions of Nonelecting Employers.....	pba 12/31/12	----- Estimate Provided by the Congressional Budget Office and the Joint Committee on Taxation [1] -----												
D. Credit for Small Business Employee Health Coverage Expenses.....	tyba 12/31/12	----- Estimate Provided by the Congressional Budget Office and the Joint Committee on Taxation [1] -----												
E. Disclosures to Carry Out Health Insurance Exchange Subsidies.....	DOE	----- Estimate Provided by the Congressional Budget Office and the Joint Committee on Taxation [1] -----												
F. Conform the Definition of Medical Expenses for Employer-Provided Health Coverage, Including Health Flexible Spending Arrangements and Health Reimbursement Arrangements, Health Savings Accounts, and Archer MSAs to the Definition for the Itemized Deduction [2].....	eia 12/31/10	---	0.4	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	2.1	5.0
G. Limit Health Flexible Spending Arrangements in Cafeteria Plans to \$2,500, Indexed to CPI-U.....	tyba 12/31/12	---	---	---	1.5	2.1	2.1	2.0	1.9	1.9	1.8	3.6	13.3	
H. Increase the Penalty for Nonqualified Distributions from Health Savings Accounts to 20%.....	dmd tyba 12/31/10	---	[3]	[3]	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.2	1.3	
I. Eliminate Deduction for Expenses Allocable to Medicare Part D Subsidy [4].....	tyba 12/31/10	---	0.3	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.2	1.5	3.0	
J. Exclusion from Gross Income for Indian Tribe Health Benefits.....	hbacpa DOE	---	---	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	
Total of Reform Proposals.....		---	0.7	1.0	2.6	3.2	3.2	3.1	3.0	3.1	2.9	7.4	22.6	

Provision	Effective	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-14	2010-19
II. Other Revenue Provisions													
A. Impose a 5.4% Surtax on AGI in Excess of \$500,000 (\$1,000,000 for joint returns); Not Indexed for Inflation.....	tyba 12/31/10	---	30.9	31.7	45.0	49.3	53.2	56.9	60.6	64.4	68.4	156.9	460.5
B. Impose a 2.5% Ad Valorem Excise Tax on First Taxable Sale of Medical Devices.....	somda 12/31/12	---	---	---	1.9	2.7	2.8	3.0	3.1	3.2	3.3	4.6	20.0
C. 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
D. Delay Implementation of Worldwide Interest Allocation Until 2020	tyba 12/31/10	---	0.5	1.4	3.1	3.2	3.3	3.5	3.6	3.7	3.8	8.2	26.1
E. Limit Treaty Benefits for Certain Deductible Payments.....	pma DOE	0.5	0.7	0.7	0.7	0.7	0.7	0.8	0.9	0.9	0.9	3.3	7.5
F. Codify Economic Substance Doctrine and Impose Penalties for Underpayments.....	teia DOE	0.1	0.4	0.5	0.6	0.6	0.7	0.7	0.7	0.7	0.7	2.3	5.7
G. Extend Certain Health Benefits Applicable to Spouses and Dependents to Eligible Designated Beneficiaries.....	tyba 12/31/09	-0.2	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.6	-1.6	-4.0
Total of Other Revenue Provisions		0.4	32.2	34.4	54.2	58.1	62.4	66.7	70.7	74.8	79.0	179.3	532.9
III. Revenue-Related Provisions													
A. Disclosures to Facilitate Identification of Individuals Likely to be Ineligible for Low-Income Subsidies Under the Medicare Prescription Drug Program to Assist Social Security Administration's Outreach to Eligible Individuals [6].....	[7]	----- <i>No Revenue Effect</i> -----											
B. Impose Fee on Insured and Self-Insured Health Plans; Comparative Effectiveness Research Trust Fund.....	[8]	---	---	---	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.6	2.0
Total of Revenue-Related Provisions		---	---	---	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.6	2.0
NET TOTAL		0.4	32.9	35.4	57.1	61.6	65.9	70.1	74.0	78.2	82.2	187.3	557.5

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend and Footnotes for JCX-43-09 are on the following page

Legend and Foots for JCX-43-09:

Legend for "Effective" column:

DOE = date of enactment

dmd = disbursements made during

eia = expenses incurred after

hbacpa = health benefits and coverage provided after

pba = periods beginning after

pma = payments made after

somda = sales of medical devices after

teia = transactions entered into after

tyba = taxable years beginning after

[1] Estimate included in Preliminary Analysis of the Insurance Coverage Specifications Provided by the House Tri-Committee Group, July 14, 2009, from the Congressional Budget Office to the Honorable Charles B. Rangel, Chairman, Committee on Ways and Means.

[2] Estimate includes interaction effect with FSA cap.

[3] Gain of less than \$50 million.

[4] Estimate includes interaction with other proposals.

[5] Loss of less than \$50 million.

[6] Any change in Medicare Part D outlays associated with this provision would be reflected in the Congressional Budget Office estimate of Title II—Medicare Beneficiary Improvements, Subtitle A.

[7] Effective for disclosures made after the date which is 12 months after the date of enactment.

[8] Effective with respect to policies and plans for portion of policies or plan years beginning on or after October 1, 2012.