

Highlights of H.R. 8, the American Taxpayer Relief Act of 2012

Tax Relief

- **Tax Brackets** – permanently extends the 10% tax bracket and the 25%, 28%, and 33% tax bracket on income at or below \$400,000 for individual filers and \$450,000 for those married filing jointly
- **Capital Gains & Dividends** – makes permanent the 15% top capital gains and dividends rate up to \$400k (singles), \$450k (married); 20% rate for both above threshold.
- **Death Tax** – permanently extends current policy on portability and unification with a \$5M exemption indexed for inflation and a 40% top rate
- **Alternative Minimum Tax (AMT)** – permanently indexes AMT for inflation
- **PEP and Pease** – permanent relief from the Personal Exemption Phase-out (“PEP”) and the itemized deduction limitation (known as Pease) for incomes under \$250,000 (single), \$300,000 (married)
- **Tax Extenders** – extends several current business and energy tax policy provisions

Congressional Pay Raise

- Statutorily prevents any automatic pay raise for Members of Congress for 2013

Medicare and Other Health Provisions

- **Doc Fix** – prevents the scheduled 26.5% cut to Medicare physician payments through December 31, 2013
- **Therapy Cap** – extends the exceptions process for the Medicare therapy cap through December 31, 2013
- **Rural Health** – extends current policy for rural health including the ambulance add-on payments, the payment adjustment for low-volume hospitals, and the Medicare-Dependent hospital (MDH) program.

Agriculture

- **Farm Bill** – extends the current 2008 Farm Bill for 1 year at no additional cost to the taxpayer and reinstates the disaster programs for livestock, commodity, and specialty crop producers (except the SURE program) for 2012 and 2013

Sequester

- Sequestration is turned off for two months and paid for with a reduction in discretionary spending cap for 2013 and 2014, and expanding eligibility for Roth conversion. The additional \$1.2 trillion in spending cuts through sequestration will continue.

Unemployment Insurance (UI)

- Includes a 1 year extension of current extended weeks for UI