

Partial list of taxes and fees in health overhaul

A partial list of taxes and fees to finance Obama health care overhaul law

AP

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Starting in 2014, President Barack Obama's health care law will expand coverage to some 30 million uninsured people. At the same time, insurers no longer will be allowed to turn away those in poor health, and virtually every American will be required to have health insurance — through an employer or a government program or by buying it on their own.

For the vast majority of people, the health care law won't mean sending more money to the Internal Revenue Service. But the wealthiest 2 percent of Americans will take the biggest hit, starting next year. 

And roughly 20 million people eventually will benefit from tax credits that start in 2014 to help them pay insurance premiums.

A look at some of the major taxes and fees, estimated to raise nearly \$700 billion over 10 years.

— **Upper-income households.** Starting Jan. 1, individuals making more than \$200,000 per year, and couples making more than \$250,000, will face a 0.9 percent Medicare tax increase on wages above those threshold amounts. They'll also face an additional 3.8 percent tax on investment income. Together these are the biggest tax increase in the health care law.

— **Employer penalties.** Starting in 2014, companies with 50 or more employees that do not offer coverage will face penalties if at least one of their employees receives government-subsidized coverage. The penalty is \$2,000 per employee, but a company's first 30 workers don't count toward the total.

— **Health care industries.** Insurers, drug companies and medical device manufacturers face new fees and taxes.

Companies that make medical equipment sold chiefly through doctors and hospitals, such as pacemakers, artificial hips and coronary stents, will pay a 2.3 percent excise tax on their sales, expected to total \$1.7 billion in its first year, 2013. They're trying to get it repealed.

The insurance industry faces an annual fee that starts at \$8 billion in its first year, 2014.

Pharmaceutical companies that make or import brand-name drugs are already paying fees; they totaled \$2.5 billion in 2011, the first year.

— **People who don't get health insurance.** Nearly 6 million people who don't get health insurance will face tax penalties starting in 2014. The fines are estimated to raise \$6.9 billion in 2016. Average penalty in that year: about \$1,200.

— **Indoor tanning devotees.** The 10 percent sales tax on indoor tanning sessions took effect in 2010. It's expected to raise \$1.5 billion over 10 years.

The 28 million people who visit tanning booths and beds each year — mostly women under 30, according to the Journal of the American Academy of Dermatology — are already paying. Tanning salons were singled out because of strong medical evidence that exposure to ultraviolet lights increases the risk of skin cancer.