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Comprehensive List of Obama Tax Increases

WASHINGTON, DC – President Barack Obama has signed into law twenty-one new or higher taxes on the American people. The full list is below:

1. A 156 percent increase in the federal excise tax on tobacco: On February 4, 2009, just sixteen days into his Administration, Obama [signed into law](#) a 156 percent increase in the federal excise tax on tobacco, a hike of 61 cents per pack. The median income of smokers is just over \$36,000 per year.

2. Obamacare Individual Mandate Excise Tax (takes effect in Jan 2014): Starting in 2014, anyone not buying “qualifying” health insurance – as defined by Obama-appointed HHS bureaucrats -- must pay an income surtax according to the higher of the following:

	1 Adult	2 Adults	3+ Adults
2014	1% AGI/\$95	1% AGI/\$190	1% AGI/\$285
2015	2% AGI/\$325	2% AGI/\$650	2% AGI/\$975
2016 +	2.5% AGI/\$695	2.5% AGI/\$1390	2.5% AGI/\$2085

The Congressional Budget Office recently estimated that [six million](#) American families will be liable for the tax, and as Americans for Tax Reform has pointed out, 100 percent of Americans filing a tax return (140 million filers) will be [forced to submit paperwork](#) to the IRS showing they had “qualifying” health insurance for every month of the tax year. *Bill: PPACA; Page: 317-337*

3. Obamacare Employer Mandate Tax (takes effect Jan. 2014): If an employer does not offer health coverage, and at least one employee qualifies for a health tax credit, the employer must pay an additional non-deductible tax of \$2000 for all full-time employees. Applies to all employers with 50 or more employees. If any employee actually receives coverage through the exchange, the penalty on the employer for that employee rises to \$3000. If the employer requires a waiting period to enroll in coverage of 30-60 days, there is a \$400 tax per employee (\$600 if the period is 60 days or longer). *Bill: PPACA; Page: 345-346*

Combined score of individual and employer mandate tax penalty: \$65 billion/10 years

4. Obamacare Surtax on Investment Income (Tax hike of \$123 billion/takes effect Jan. 2013): Creation of a new, **3.8 percent surtax on investment income** earned in households making at least \$250,000 (\$200,000 single). This would result in the following top tax rates on investment income: *Bill: Reconciliation Act; Page: 87-93*

	Capital Gains	Dividends	Other*
2011-2012	15%	15%	35%
2013+ (current law)	23.8%	43.4%	43.4%
2013+ (Obama budget)	23.8%	23.8%	43.4%

**Other unearned income includes (for surtax purposes) gross income from interest, annuities, royalties, net rents, and passive income in partnerships and Subchapter-S corporations. It does not include municipal bond interest or life insurance proceeds, since those do not add to gross income. It does not include active trade or business income, fair market value sales of ownership in pass-through entities, or distributions from retirement plans. The 3.8% surtax does not apply to non-resident aliens.*

5. Obamacare Excise Tax on Comprehensive Health Insurance Plans (Tax hike of \$32 bil/takes effect Jan. 2018): Starting in 2018, new 40 percent excise tax on “Cadillac” health insurance plans (\$10,200 single/\$27,500 family). Higher threshold (\$11,500 single/\$29,450 family) for early retirees and high-risk professions. CPI +1 percentage point indexed. *Bill: PPACA; Page: 1,941-1,956*

6. Obamacare Hike in Medicare Payroll Tax (Tax hike of \$86.8 bil/takes effect Jan. 2013): Current law and changes:

	First \$200,000 (\$250,000 Married) Employer/Employee	All Remaining Wages Employer/Employee
Current Law	1.45%/1.45% 2.9% self-employed	1.45%/1.45% 2.9% self-employed
Obamacare Tax Hike	1.45%/1.45% 2.9% self-employed	1.45%/2.35% 3.8% self-employed

Bill: PPACA, Reconciliation Act; Page: 2000-2003; 87-93

7. Obamacare Medicine Cabinet Tax (Tax hike of \$5 bil/took effect Jan. 2011): Americans are no longer able to use health savings account (HSA), flexible spending account (FSA), or health reimbursement (HRA) pre-tax dollars to purchase non-prescription, over-the-counter medicines (except insulin). *Bill: PPACA; Page: 1,957-1,959*

8. Obamacare HSA Withdrawal Tax Hike (Tax hike of \$1.4 bil/took effect Jan. 2011): Increases additional tax on non-medical early withdrawals from an HSA from 10 to 20 percent, disadvantaging them relative to IRAs and other tax-advantaged accounts, which remain at 10 percent. *Bill: PPACA; Page: 1,959*

9. Obamacare Flexible Spending Account Cap – aka “Special Needs Kids Tax” (Tax hike of \$13 bil/takes effect Jan. 2013): Imposes cap on FSAs of \$2500 (currently unlimited). Indexed to inflation after 2013. There is one group of FSA owners for whom this new cap will be particularly cruel and onerous:

parents of special needs children. There are thousands of families with special needs children in the United States, and many of them use FSAs to pay for special needs education. Tuition rates at one leading school that teaches special needs children in Washington, D.C. ([National Child Research Center](#)) can easily exceed \$14,000 per year. Under tax rules, FSA dollars can be used to pay for this type of special needs education. *Bill: PPACA; Page: 2,388-2,389*

10. Obamacare Tax on Medical Device Manufacturers (Tax hike of \$20 bil/takes effect Jan. 2013): Medical device manufacturers 409,000 people in 12,000 plants across the country. This law imposes a new 2.3 percent excise tax on total sales, even if the respective company does not earn a profit. Exempts items retailing for <\$100. *Bill: PPACA; Page: 1,980-1,986*

11. Obamacare "Haircut" for Medical Itemized Deduction from 7.5% to 10% of AGI (Tax hike of \$15.2 bil/takes effect Jan. 2013): Currently, those facing high medical expenses are allowed a deduction for medical expenses to the extent that those expenses exceed 7.5 percent of adjusted gross income (AGI). The new provision imposes a threshold of 10 percent of AGI. Waived for 65+ taxpayers in 2013-2016 only. *Bill: PPACA; Page: 1,994-1,995*

12. Obamacare Tax on Indoor Tanning Services (Tax hike of \$2.7 billion/took effect July 2010): New 10 percent excise tax on Americans using indoor tanning salons. Making matters worse: According to a [Treasury Inspector General for Tax Administration report](#), the Obama IRS didn't bother to issue compliance guidelines until three quarterly filing deadlines had passed: "By the time [IRS] notices were issued, tanning excise tax returns had been due for three quarters." *Bill: PPACA; Page: 2,397-2,399*

13. Obamacare elimination of tax deduction for employer-provided retirement Rx drug coverage in coordination with Medicare Part D (Tax hike of \$4.5 bil/takes effect Jan. 2013) *Bill: PPACA; Page: 1,994*

14. Obamacare Blue Cross/Blue Shield Tax Hike (Tax hike of \$0.4 bil/took effect Jan. 1 2010): The special tax deduction in current law for Blue Cross/Blue Shield companies would only be allowed if 85 percent or more of premium revenues are spent on clinical services. *Bill: PPACA; Page: 2,004*

15. Obamacare Excise Tax on Charitable Hospitals (Min\$/took effect immediately): \$50,000 per hospital if they fail to meet new "community health assessment needs," "financial assistance," and "billing and collection" rules set by Obama-appointed HHS bureaucrats. *Bill: PPACA; Page: 1,961-1,971*

16. Obamacare Tax on Innovator Drug Companies (Tax hike of \$22.2 bil/took effect Jan. 2010): \$2.3 billion annual tax on the industry imposed relative to share of sales made that year. *Bill: PPACA; Page: 1,971-1,980*

17. Obamacare Tax on Health Insurers (Tax hike of \$60.1 bil/takes effect Jan. 2014): Annual tax on the industry imposed relative to health insurance premiums collected that year. Phases in gradually until 2018. Fully-imposed on firms with \$50 million in profits. *Bill: PPACA; Page: 1,986-1,993*

18. Obamacare \$500,000 Annual Executive Compensation Limit for Health Insurance Executives (Tax hike of \$0.6 bil/takes effect Jan 2013). *Bill: PPACA; Page: 1,995-2,000*

19. Obamacare Employer Reporting of Insurance on W-2 (\$min/takes effect Jan. 2012): Preamble to taxing health benefits on individual tax returns. *Bill: PPACA; Page: 1,957*

20. Obamacare “Black liquor” tax hike (Tax hike of \$23.6 billion/took effect immediately). This is a tax increase on a type of bio-fuel. *Bill: Reconciliation Act; Page: 105*

21. Obamacare Codification of the “economic substance doctrine” (Tax hike of \$4.5 billion/took effect immediately). This provision allows the IRS to disallow completely-legal tax deductions and other legal tax-minimizing plans just because the IRS deems that the action lacks “substance” and is merely intended to reduce taxes owed. *Bill: Reconciliation Act; Page: 108-113*

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact John Kartch at (202) 785-0266 or by email at jkartch@atr.org.

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