

**JOINT COMMITTEE ON TAXATION**  
**October 8, 2009**  
**JCX-41-09**

**ESTIMATED REVENUE EFFECTS OF THE REVENUE PROVISIONS CONTAINED IN TITLE VI OF  
THE "AMERICA'S HEALTHY FUTURE ACT OF 2009,"  
AS AMENDED THROUGH OCTOBER 2, 2009, AND UNDER CONSIDERATION BY THE COMMITTEE ON FINANCE [1]**

**Fiscal Years 2010 - 2019**

*[Billions of Dollars]*

Provision	Effective	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-14	2010-19
<b>Revenue Offset Provisions</b>													
1. 40% excise tax on health coverage in excess of \$8,000/\$21,000 indexed for inflation by CPI-U plus 1% and increased thresholds for over age 55 retirees or certain high-risk professions; levied at insurer level; employer aggregates and issues information return for insurers indicating amount subject to the excise tax; nondeductible; high 17 state transition relief.....	tyba 12/31/12	---	---	---	9.5	17.7	23.2	29.5	34.9	40.3	46.3	27.3	201.4
2. Employer W-2 reporting of value of health benefits.....	tyba 12/31/09	----- <i>Negligible Revenue Effect</i> -----											
3. Conform the definition of medical expenses for health flexible spending arrangements to the definition of the itemized deduction for medical expenses (excluding over-the-counter medicines prescribed by a physician).....	tyba 12/31/09	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7	2.3	5.4
4. Increase the penalty for nonqualified health savings account distributions to 20%.....	dmd tyba 12/31/10	---	[2]	[2]	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.2	1.3
5. Limit health flexible spending arrangements in cafeteria plans to \$2,500 [3].....	tyba 12/31/10	---	0.6	0.9	1.6	2.0	1.9	1.9	1.9	1.9	1.9	5.1	14.6
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
7. Additional requirements for section 501(c)(3) hospitals.....	tyba DOE	----- <i>Negligible Revenue Effect</i> -----											
8. Impose annual fee on manufacturers and importers of branded drugs.....	[4]	2.0	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	11.0	22.2

Provision	Effective	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-14	2010-19
9. Impose annual fee on manufacturers and importers of certain medical devices.....	[5]	3.5	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	19.1	38.6
10. Impose annual fee on health insurance providers.....	[6]	5.5	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	29.9	60.4
11. Study and report of effect on veterans health care....	DOE	----- <i>No Revenue Effect</i> -----											
12. Eliminate deduction for expenses allocable to Medicare Part D subsidy.....	tyba 12/31/10	---	0.3	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.8	1.9	5.4
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% (sunset 12/31/16).....	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.....	[7]	---	---	---	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.6
<b>Total of Revenue Offset Provisions.....</b>		<b>11.4</b>	<b>13.5</b>	<b>14.5</b>	<b>28.2</b>	<b>36.7</b>	<b>42.4</b>	<b>49.0</b>	<b>55.4</b>	<b>62.2</b>	<b>68.7</b>	<b>104.6</b>	<b>382.2</b>
<b>Other Provisions</b>													
1. Provide income exclusion for specified Indian tribe health benefits.....	[8]	---	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]
2. Simple cafeteria plan nondiscrimination safe harbor for certain small employers.....	tyba 12/31/10	----- <i>Negligible Revenue Effect</i> -----											
3. Qualifying therapeutic discovery project credit (sunset 12/31/10).....	[10]	-0.4	-0.2	-0.1	-0.1	[9]	[9]	---	---	---	---	-0.9	-0.9
<b>Total of Other Provisions.....</b>		<b>-0.4</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-0.1</b>	<b>[9]</b>	<b>[9]</b>	<b>[9]</b>	<b>[9]</b>	<b>[9]</b>	<b>[9]</b>	<b>-0.9</b>	<b>-0.9</b>
<b>NET TOTAL .....</b>		<b>11.0</b>	<b>13.3</b>	<b>14.4</b>	<b>28.1</b>	<b>36.7</b>	<b>42.4</b>	<b>49.0</b>	<b>55.4</b>	<b>62.2</b>	<b>68.7</b>	<b>103.7</b>	<b>381.3</b>

Joint Committee on Taxation

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

Legend for "Effective" column:

dmd = disbursements made during  
DOE = date of enactment

pma = payments made after

tyba = taxable years beginning after

[Footnotes for JCX-41-09 appear on the following page]

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**Footnotes for JCX-41-09:**

- [1] Detail of estimates included in *Preliminary Analysis of the Chairman's mark for the "America's Healthy Future Act of 2009," incorporating the amendments that have been adopted to date by the Committee on Finance* , October 7, 2009, from the Congressional Budget Office to the Honorable Max Baucus, Chairman, Committee on Finance.
- [2] Gain of less than \$50 million.
- [3] Estimate includes interaction with other proposals.
- [4] Effective for calendar years beginning after December 31, 2009; fee is allocated based on market share of branded prescription drug sales for calendar years beginning after December 31, 2008.
- [5] Effective for calendar years beginning after December 31, 2009; fee is allocated based on market share of certain medical device sales for calendar years beginning after December 31, 2008.
- [6] Effective for calendar years beginning after December 31, 2009; fee is allocated based on market share of net premiums for any United States health risk written for calendar years beginning after December 31, 2008.
- [7] Effective for remuneration paid in taxable years beginning after 2012 with respect to services performed after 2009.
- [8] Effective for health benefits and coverage provided after the date of enactment.
- [9] Loss of less than \$50 million.
- [10] Effective for expenditures paid or incurred after December 31, 2008, in taxable years beginning after December 31, 2008.