

**ESTIMATED REVENUE EFFECTS OF THE TAX PROVISIONS CONTAINED IN TITLE II OF H.R. 1628,  
 THE "AMERICAN HEALTH CARE ACT OF 2017,"  
 AS PASSED BY THE HOUSE OF REPRESENTATIVES**

Fiscal Years 2017- 2026

[Millions of Dollars]

Provision	Effective	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-21	2017-26
A. Repeal and Replace of Health-Related Tax Policy													
1. Recapture excess advance payments of premium tax credits [1].....	tyba 12/31/17	----- <i>Estimate included in CBO Estimate of Coverage Provisions</i> -----											
2. Additional modifications to premium tax credit [1].....	tyba 12/31/17 & tyba 12/31/18	----- <i>Estimate included in CBO Estimate of Coverage Provisions</i> -----											
3. Small business tax credit.....	[2]	----- <i>Estimate included in CBO Estimate of Coverage Provisions</i> -----											
4. Individual mandate.....	mba 12/31/15	----- <i>Estimate included in CBO Estimate of Coverage Provisions</i> -----											
5. Employer mandate.....	mba 12/31/15	----- <i>Estimate included in CBO Estimate of Coverage Provisions</i> -----											
6. Repeal of tax on employee health insurance premiums and health plan benefits: repeal 40% excise tax on health coverage in excess of \$10,200/\$27,500 (subject to adjustment for unexpected increase in medical costs prior to effective date) and increased thresholds of \$1,650/\$3,450 for over age 55 retirees or certain high-risk professions, both indexed for inflation by CPI-U plus 1%; adjustment based on age and gender profile of employees; vision and dental excluded from excise tax; levied at insurer level; employer aggregates and issues information return for insurers indicating amount subject to the excise tax (repeal sunsets 12/31/25) [3][4].....	tyba 12/31/19	---	---	---	-3,372	-6,885	-8,670	-10,659	-13,355	-16,436	-6,598	-10,257	-65,975
7. Repeal exclusion of nonprescribed over-the-counter medicines from the definition of medical expenses for health savings accounts ("HSAs"), Archer MSAs, health flexible spending arrangements, and health reimbursement arrangements [4][5].....	apaeiwrt tyba 12/31/16	-39	-534	-540	-562	-590	-616	-648	-675	-693	-731	-2,265	-5,627
8. Repeal increase in additional tax on distributions from HSAs and Archer MSAs not used for qualified medical expenses [5].....	dma 12/31/16	[6]	-10	-10	-11	-12	-13	-14	-16	-17	-19	-43	-122

Provision	Effective	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-21	2017-26
9. Repeal limitations on contributions to health flexible spending arrangements in cafeteria plans [4][7].....	tyba 12/31/16	-45	-1,040	-1,245	-1,550	-1,655	-1,826	-2,170	-2,566	-3,254	-4,080	-5,536	-19,432
10. Repeal 2.3% excise tax on manufacturers and importers of certain medical devices.....	sa 12/31/16	---	-1,373	-1,900	-1,994	-2,100	-2,213	-2,329	-2,447	-2,570	-2,696	-7,367	-19,622
11. Reinstatement deduction for expenses allocable to Medicare Part D subsidy.....	tyba 12/31/16	-40	-199	-159	-168	-178	-188	-199	-211	-223	-236	-745	-1,802
12. Set AGI floor on itemized medical expenses to 5.8% for all taxpayers; apply 5.8% floor for alternative minimum tax purposes.....	tyba 12/31/16	-76	-9,708	-9,149	-10,468	-11,933	-13,403	-15,039	-16,794	-18,672	-20,490	-41,334	-125,733
13. Repeal additional HI tax of 0.9% on earned income in excess of \$200,000/\$250,000 (unindexed).....	rra & tyba 12/31/22	---	---	---	---	---	-493	-9,349	-14,677	-16,455	-17,579	---	-58,553
14. Refundable health credit for health insurance coverage.....	mba 12/31/19 in tyea sd	-----Estimate included in CBO Estimate of Coverage Provisions-----											
15. Maximum contribution limit to HSA increased to amount of deductible and out-of-pocket limitation [4]....	tyba 12/31/17	---	-1,023	-1,550	-1,734	-1,923	-2,112	-2,298	-2,477	-2,663	-2,863	-6,230	-18,643
16. Allow both spouses to make catch-up contributions to the same HSA [4].....	tyba 12/31/17	---	-17	-35	-38	-41	-44	-47	-50	-53	-56	-132	-381
17. Special rule for certain medical expenses incurred before establishment of HSA [4].....	cba 12/31/17	---	-7	-18	-20	-21	-23	-24	-26	-27	-28	-66	-195
<b>B. Repeal of Certain Consumer Taxes</b>													
1. Repeal annual fee on manufacturers and importers of branded drugs .....	cyba 12/31/16	-2,972	-3,956	-2,701	-2,699	-2,695	-2,693	-2,691	-2,688	-2,688	-2,688	-15,022	-28,469
2. Repeal annual fee on health insurance providers.....	cyba 12/31/16	---	-12,813	-13,523	-14,287	-15,090	-15,938	-16,828	-17,763	-18,737	-19,749	-55,713	-144,727
<b>C. Repeal of Tanning Tax</b>													
1. Repeal 10% excise tax on indoor tanning services.....	spa 6/30/17	-1	-64	-65	-66	-68	-69	-70	-72	-73	-75	-263	-621
<b>D. Remuneration From Certain Insurers</b>													
1. Repeal \$500,000 deduction limitation on taxable year remuneration to officers, employees, directors, and service providers of covered health insurance providers.....	tyba 12/31/16	-11	-67	-49	-49	-50	-52	-53	-55	-58	-60	-226	-505
<b>E. Repeal of Net Investment Income Tax</b>													
1. Repeal Unearned Income Medicare Contribution of 3.8% on investment income for taxpayers with AGI in excess of \$200,000/\$250,000 (unindexed).....	tyba 12/31/16	-1,570	-16,650	-15,894	-16,723	-17,839	-18,723	-19,669	-20,679	-21,719	-22,735	-68,676	-172,202
<b>NET TOTAL .....</b>		<b>-4,754</b>	<b>-47,460</b>	<b>-46,839</b>	<b>-53,742</b>	<b>-61,080</b>	<b>-67,075</b>	<b>-82,088</b>	<b>-94,550</b>	<b>-104,337</b>	<b>-100,684</b>	<b>-213,874</b>	<b>-662,609</b>

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be July 30, 2017.

[Legend and Footnotes for JCX-27-17 appear on the following page]

**Legend and Footnotes for JCX-27-17:**

Legend for "Effective" column:

apaewrt = amounts paid and expenses incurred with respect to  
 cba = coverage beginning after  
 cyba = calendar years beginning after  
 dma = distributions made after

mba = months beginning after  
 rra = remuneration received after  
 sa = sales after  
 sd= such date

spa = services performed after  
 tyba = taxable years after  
 tyea = taxable years ending after

[1] As a result of the provision of the bill relating to a refundable health credit for health insurance coverage, shown below, the premium tax credit under present law does not apply with respect to months beginning after December 31, 2019, in taxable years

[2] This provision is effective for taxable years beginning after December 31, 2017, and taxable years beginning after December 31, 2019.

[3] This estimate does not include effects of interactions with other subsidies; those effects are included in estimates of other relevant provisions.

[4] Estimate includes the following off-budget effects:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2017-21</u>	<u>2017-26</u>
Repeal 40% excise tax on health coverage.....	---	---	---	-838	-1,437	-1,880	-2,362	-2,993	-3,765	-1,197	-2,274	-14,471
Repeal exclusion of nonprescribed over-the-counter medicines from the definition of medical expenses etc.....	-9	-125	-131	-138	-144	-152	-159	-168	-175	-184	-548	-1,387
Repeal limitation on health flexible spending arrangements to cafeteria plans.....	-14	-353	-463	-491	-522	-624	-716	-873	-1,237	-1,144	-1,843	-6,438
Maximum contribution limit to HSA increased to amount of deductible and out-of-pocket limitation.....	---	-234	-355	-397	-441	-484	-527	-568	-610	-656	-1,428	-4,272
Allow both spouses to make catch-up contributions to the same HSA.....	---	-6	-12	-13	-14	-15	-16	-16	-17	-18	-44	-126
Special rule for certain medical expenses incurred before establishment of HSA.....	---	-2	-6	-7	-7	-8	-8	-9	-9	-10	-23	-67

[5] This estimate includes the effects of interactions with the proposal to increase the maximum contribution limit to HSAs.

[6] Loss of less than \$500,000.

[7] Estimate includes interaction with the high premium excise tax.