

FOR IMMEDIATE RELEASE

1 JANUARY 2013

CONTACT: John Kartch
jkartch@atr.org
202-785-0266

Comprehensive List of Obamacare Tax Hikes: Listed in Order of Effective Date

Obamacare law contains 20 new or higher taxes on American families and small businesses

WASHINGTON, D.C. -- One of the largest tax increases in American history, Obamacare contains 20 new or higher taxes on American families and small businesses—seven of which fall on families making less than \$250,000 per year (in direct violation of President Obama's campaign promise).

Arranged by their respective effective dates, below is the total list of all hikes in Obamacare, where to find them in the bill, and how much your taxes will go up:

2010

- 1. Excise Tax on Charitable Hospitals** (Min\$/immediate): \$50,000 per hospital if they fail to meet new "community health assessment needs," "financial assistance," and "billing and collection" rules set by HHS. *Bill: PPACA; Page: 1,961-1,971*
- 2. Codification of the "economic substance doctrine"** (Tax hike of \$4.5 billion). 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*
- 3. "Black liquor" tax hike** (Tax hike of \$23.6 billion). This is a tax increase on a type of bio-fuel. *Bill: Reconciliation Act; Page: 105*
- 4. Tax on Innovator Drug Companies** (\$22.2 bil/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*
- 5. Blue Cross/Blue Shield Tax Hike** (\$0.4 bil/Jan 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*
- 6. Tax on Indoor Tanning Services** (\$2.7 billion/July 1, 2010): New 10 percent excise tax on Americans using indoor tanning salons. *Bill: PPACA; Page: 2,397-2,399*

2011

7. Medicine Cabinet Tax (\$5 bil/Jan 2011): Americans 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. HSA Withdrawal Tax Hike (\$1.4 bil/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*

2012

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

2013

10. Surtax on Investment Income (\$123 billion/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*
2012	15%	15%	35%
2013+	23.8%	43.4%	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.*

11. Hike in Medicare Payroll Tax (\$86.8 bil/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

12. Tax on Medical Device Manufacturers (\$20 bil/Jan 2013): Medical device manufacturers employ 360,000 people in 6000 plants across the country. This law imposes a new 2.3% excise tax. Exempts items retailing for <\$100. *Bill: PPACA; Page: 1,980-1,986*

13. High Medical Bills Tax: (\$15.2 bil/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*

14. Flexible Spending Account Cap – aka “Special Needs Kids Tax” (\$13 bil/Jan 2013): Imposes cap on FSAs of \$2500 (now 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*

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

16. \$500,000 Annual Executive Compensation Limit for Health Insurance Executives (\$0.6 bil/Jan 2013). *Bill: PPACA; Page: 1,995-2,000*

2014

17. Individual Mandate Excise Tax (Jan 2014): Starting in 2014, anyone not buying “qualifying” health insurance 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

Exemptions for religious objectors, undocumented immigrants, prisoners, those earning less than the poverty line, members of Indian tribes, and hardship cases (determined by HHS). Bill: PPACA; Page: 317-337

18. Employer Mandate Tax (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

19. Tax on Health Insurers (\$60.1 bil/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*

2018

20. Excise Tax on Comprehensive Health Insurance Plans (\$32 bil/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*

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.

###

How to contact Americans for Tax Reform:

Phone: 202-785-0266

Web: www.atr.org

Twitter: @TaxReformer and @GroverNorquist



Issue: **Pest Elimination Services Transparency & Terminology (PESTT) Act (H.R. 730)**

Background: The U.S. Department of Agriculture's Wildlife Services' (WS) program was founded in the late 19th century to control predators and protect American agriculture. A 1987 law authorized WS to manage nuisance birds and mammals in non-agricultural settings. While the accompanying report language makes clear the law was primarily intended to permit WS to control birds at airports and engage in rabies prevention activities, the statute is written very broadly and actually gives WS the authority to perform almost any type of nuisance wildlife control work imaginable (regardless of whether it is in competition with the private sector), except "urban rodent control." Unfortunately, the law doesn't define the phrase, so the exception is unclear and toothless.

According to information posted on WS' website, \$71 million of WS' \$110.5 million FY 2011 budget was derived from contracts with federal, state and local governments, associations, businesses, and individual property owners. WS own statistics underscore how commonplace competition with the private sector is, and much of the competition is for mundane, run-of-the mill work that the professional pest management industry has the capability and capacity to perform. Some of the animal pests WS regularly contracts for the management of that countless pest management companies also offer control services for include rats, mice, chipmunks, squirrels, voles, woodchucks, moles, rabbits, raccoons, skunks, opossums, porcupines, beavers, pigeons, starlings, and sparrows.

Authored by Congressmen Mick Mulvaney (R-SC) and Kurt Schrader (D-OR), the bipartisan Pest Elimination Services Transparency & Terminology (PESTT) Act defines the term "urban rodent control" and directs the Government Accountability Office to write a report identifying the services WS carries out that the private sector also has the capability and capacity to perform and issue recommendations for avoiding future competition, including further statutory changes.

Position: **The National Pest Management Association urges members of the House of Representatives to cosponsor the bipartisan, common sense PESTT Act and Senators to introduce and support companion legislation in the upper chamber.**

March 7, 2013

Pest Elimination Services Transparency & Terminology (PESTT) Act (H.R. 730)

Talking Points & Things to Ask For

- The U.S. Department of Agriculture’s Wildlife Services’ program was established in the late 19th century, largely to more aggressively manage coyotes and other predators. (Wildlife Service is a part of USDA’s Animal and Plant Health Inspection Service or APHIS.)
- A 1987 law expanded Wildlife Services authority to work in non-agricultural settings, regardless of whether it is in competition with the private sector. The law was passed primarily to permit Wildlife Services to manage birds at airports – work in which the agency was already engaged – and carry out rabies prevention activities.
- The only exception to Wildlife Services statutory authority is “urban rodent control.” Unfortunately, the term “urban rodent control” is not defined in law or rule, so the exception is meaningless.
- Wildlife Services regularly manages rodents such as mice, rats, squirrels, and woodchucks, in metropolitan areas. Wildlife Services also manages numerous other everyday animal pests the private sector is capable of controlling such as pigeons, starlings, sparrows, raccoons, skunks, and opossums.
- Wildlife Services provides work for federal, state and local governments, private businesses, associations and individual property owners.
- According to Wildlife Services’ website, the agency got most of its funding during FY 2011 from cooperative agreements or contracts with clients as opposed to congressionally appropriated monies. This reliance on cooperative agreements blurs Wildlife Services mission and appropriate functions.
- Congressmen Mick Mulvaney and Kurt Schrader recently introduced the Pest Elimination Services Transparency & Terminology (PESTT) Act, a measure limiting Wildlife Services competition with the private sector.
- H.R. 730 defines the term “urban rodent control,” clarifying existing law and for the first time setting parameters in which Wildlife Services can and cannot operate. The bill also directs the Government Accountability Office to write a report identifying the services in which Wildlife Services engages that the private sector also has the capability and capacity to perform and issue recommendations to avoid future competition between Wildlife Services and the private sector.

PESTT Act (H.R. 730)-No Senate companion bill yet	What to Ask For When Visiting w/House Members	What to Ask for When Visiting w/Senators
Introduced by Congressmen Mick Mulvaney (R-SC) and Kurt Schrader (D-OR) in mid-February	Ask House members to cosponsor the bipartisan, common sense PESTT Act (H.R. 730)	Ask Senators to sponsor and/or support a companion bill (Senate version) of the PESTT Act (H.R. 730)

[The Library of Congress](#) > [THOMAS Home](#) > [Bills, Resolutions](#) > [Search Results](#)

Bill Summary & Status
113th Congress (2013 - 2014)
H.R.730
Cosponsors

Item 1 of 1

ABOUT COSPONSORS

PREVIOUS:COSPONSORS | NEXT:COSPONSORS

NEW SEARCH | HOME | HELP |

⊙ [Back to Bill Summary and Status](#)

[Print](#) [Subscribe](#) [Share/Save](#)

H.R.730

Latest Title: Pest Elimination Services Transparency and Terminology **Act**

Sponsor: [Rep Mulvaney, Mick](#) [SC-5] (introduced 2/14/2013) [Cosponsors](#) (15)

Latest Major Action: 3/1/2013 Referred to House subcommittee. Status: Referred to the Subcommittee on Horticulture, Research, Biotechnology, and Foreign Agriculture.

COSPONSORS(15), ALPHABETICAL [followed by Cosponsors withdrawn]: (Sort: [by date](#))

[Rep Campbell, John](#) [CA-45] - 2/14/2013
[Rep Collins, Chris](#) [NY-27] - 2/25/2013
[Rep DeFazio, Peter A.](#) [OR-4] - 2/14/2013
[Rep Duncan, Jeff](#) [SC-3] - 2/14/2013
[Rep Fincher, Stephen Lee](#) [TN-8] - 2/14/2013
[Rep Graves, Tom](#) [GA-14] - 2/27/2013
[Rep Guthrie, Brett](#) [KY-2] - 2/14/2013
[Rep Hanna, Richard L.](#) [NY-22] - 2/14/2013
[Rep Hastings, Doc](#) [WA-4] - 2/14/2013
[Rep Huizenga, Bill](#) [MI-2] - 2/14/2013
[Rep King, Steve](#) [IA-4] - 2/14/2013
[Rep Owens, William L.](#) [NY-21] - 3/5/2013
[Rep Rooney, Thomas J.](#) [FL-17] - 2/14/2013
[Rep Schrader, Kurt](#) [OR-5] - 2/15/2013
[Rep Scott, Austin](#) [GA-8] - 2/14/2013

Stay Connected with the Library [All ways to connect](#) »

1 **SEC. 2. URBAN RODENT CONTROL DEFINED.**

2 Title I of the Rural Development, Agriculture, and
3 Related Agencies Appropriations Act, 1988 (Public Law
4 100–202; 101 Stat. 1329–331) is amended in the last pro-
5 viso under the heading “ANIMAL AND PLANT HEALTH IN-
6 SPECTION SERVICE—SALARIES AND EXPENSES” (7 U.S.C.
7 426e), by striking “Animal Damage Control activities” at
8 the end and inserting “Animal Damage Control activities,
9 and the term ‘urban rodent control’ means efforts to di-
10 rectly control any mammal in the order Rodentia in a loca-
11 tion that is not an airport or in a rural area (as defined
12 in section 520 of the Housing Act of 1949 (42 U.S.C.
13 1490))”.

14 **SEC. 3. REPORT ON ACTIVITIES OF WILDLIFE SERVICES**
15 **PROGRAM OF THE ANIMAL AND PLANT**
16 **HEALTH INSPECTION SERVICE.**

17 Not later than October 1, 2013, the Comptroller Gen-
18 eral of the United States shall submit to the Committee
19 on Agriculture of the House of Representatives and the
20 Committee on Agriculture, Nutrition, and Forestry of the
21 Senate a report that—

22 (1) identifies activities carried out by the Wild-
23 life Services program of the Animal and Plant
24 Health Inspection Service that can be carried out by
25 entities with appropriate expertise and capacity in
26 the private sector;

7 USC 426c. Control of nuisance mammals and birds and those constituting reservoirs of zoonotic diseases; exception

On and after December 22, 1987, the Secretary of Agriculture is authorized, except for urban rodent control, to conduct activities and to enter into agreements with States, local jurisdictions, individuals, and public and private agencies, organizations, and institutions in the control of nuisance mammals and birds and those mammal and bird species that are reservoirs for zoonotic diseases, and to deposit any money collected under any such agreement into the appropriation accounts that incur the costs to be available immediately and to remain available until expended for Animal Damage Control activities.

(Pub.L. 100-202, § 101(k) [Title I], Dec. 22, 1987, 101 Stat. 1329-331.)

42 USC § 1490 - "RURAL" AND "RURAL AREA" DEFINED

As used in this subchapter, the terms "rural" and "rural area" mean any open country, or any place, town, village, or city which is not (except in the cases of Pajaro, in the State of California, and Guadalupe, in the State of Arizona) part of or associated with an urban area and which

- (1) has a population not in excess of 2,500 inhabitants, or
- (2) has a population in excess of 2,500 but not in excess of 10,000 if it is rural in character, or
- (3) has a population in excess of 10,000 but not in excess of 20,000, and

(A) is not contained within a standard metropolitan statistical area, and

(B) has a serious lack of mortgage credit for lower and moderate-income families, as determined by the Secretary and the Secretary of Housing and Urban Development. For purposes of this subchapter, any area classified as "rural" or a "rural area" prior to October 1, 1990, and determined not to be "rural" or a "rural area" as a result of data received from or after the 1990 or 2000 decennial census shall continue to be so classified until the receipt of data from the decennial census in the year 2010, if such area has a population in excess of 10,000 but not in excess of 25,000, is rural in character, and has a serious lack of mortgage credit for lower and moderate-income families. Notwithstanding any other provision of this section, the city of Plainview, Texas, shall be considered a rural area for purposes of this subchapter, and the city of Altus, Oklahoma, shall be considered a rural area for purposes of this subchapter until the receipt of data from the decennial census in the year 2000.



Issue: Federal Electronic Pesticide Use Records Legislation

Background: Like businesses in countless sectors of the economy, professional pest management companies are going “paperless” as a way to save costs and increase efficiencies. “Paperless” offices are also greener and more environmentally conscious, something customers appreciate and like to support. Moreover, going “paperless” allows businesses to back up and better safeguard data and records in case of a fire, flood or other disasters. Electronic retention of data also makes it easier to prove compliance with various recordkeeping, reporting and related requirements.

Unfortunately, the transition to a “paperless” office for many pest management companies is more difficult than anticipated because of 1970s/1980s era state consumer information requirements that mandate transmission of such documents be via paper or hard copies and do not permit electronic conveyance of the information. These requirements are especially disruptive for “paperless” companies that operate in multiple states, some of which permit electronic conveyance of the required information and others that don’t.

Most states require pest management companies to provide customers with information related to the treatment of the pest problem, either automatically or upon request. The required information is typically precautionary information from the pesticide label or Material Safety Data Sheet. Most of the requirements are implemented and enforced by state departments of agriculture, which are the state pesticide regulatory agency in 40 states.

The U.S. Department of Agriculture’s Pesticide Use Recordkeeping Regulation permits records to be retained and conveyed electronically, although the regulation only applies to restricted use pesticide applications. The overwhelming majority of treatments performed by pest management professionals involve general use pesticides.

The industry’s concern is not with the longstanding consumer information requirements but rather the very limited transmission options in certain states that are undermining some pest management businesses efforts to become fully 21st century ecommerce operations. Most states permit the electronic conveyance of the information to consumers but several do not including California, Delaware, Colorado, Kansas, Minnesota, Rhode Island and Vermont. Other states have laws or regulations that do not technically permit electronic transmission of the information but officials in those states allow electronic conveyance of the information. It remains to be seen if these states will permit electronic conveyance of the information in the long term.

Position: The National Pest Management Association strongly supports legislation permitting – but not mandating – pest management professionals to retain and convey pesticide use records and related information electronically. We respectfully urge members of Congress to introduce and/or cosponsor such legislation.

March 7, 2013

Electronic Pesticide Use Records Legislation
Talking Points & Things to Ask For

- Like businesses in countless sectors of the economy, professional pest management companies are going “paperless” as a way to save costs and increase efficiencies.
- “Paperless” offices are also greener and more environmentally conscious, something customers appreciate and like to support. Going “paperless” also allows businesses to back up and better safeguard data and records in case of a fire, flood or other disasters. It also makes it easier to prove compliance with various recordkeeping, reporting and related requirements.
- Unfortunately, the transition to a “paperless” office for many pest management companies is more difficult than anticipated because of 1970s/1980s era state consumer information requirements that mandate transmission of such documents be via paper or hard copies and do not permit electronic conveyance of the information. These requirements are especially disruptive for “paperless” companies that operate in multiple states, some of which permit electronic conveyance of the required information and others that don’t.
- Most states require pest management companies to provide customers with information related to the treatment of the pest problem, either automatically or upon request. The required information is typically precautionary information from the pesticide label or Material Safety Data Sheet.
- Most of the requirements are implemented and enforced by state departments of agriculture, which are the state pesticide regulatory agency in 40 states.
- The U.S. Department of Agriculture’s Pesticide Use Recordkeeping Regulation actually permits records to be retained and conveyed electronically, although the regulation only applies to restricted use pesticide applications. The overwhelming majority of treatments performed by pest management professionals involve general use pesticides.
- The industry’s concern is not with the longstanding consumer information requirements but rather the very limited transmission options in certain states that are undermining some companies’ efforts to become fully 21st century ecommerce operations.
- Most states permit the electronic conveyance of the information to consumers but several do not including California, Delaware, Colorado, Kansas, Minnesota, Rhode Island, and Vermont. Other states have laws or regulations that do not technically permit electronic transmission of the information but officials in those states allow electronic conveyance of the information. It remains to be seen if these states will continue to permit electronic conveyance of the information long term.

Electronic Pesticide Use Records Legislation	What to Ask For When Visiting w/House Members	What to Ask For When Visiting w/Senators
Legislation proposed by NPMA to permit – but not mandate - pest management professionals to go “paperless” in all jurisdictions.	Introduce/support legislation permitting – but not mandating – pest management professionals to retain and convey pesticide use records and related information electronically	Introduce/support legislation permitting – but not mandating – pest management professionals to retain and convey pesticide use records and related information electronically.