COMMITTEE ON

WAYS AND MEANS

CHAIRMAN KEVIN BRADY

Overview of the Tax Provisions Included in Omnibus Appropriations Act:

As proposed to be considered on the House floor on December 18, 2015

Health Taxes: The Omnibus contains several important provisions that will protect Americans from the failures of the President's health care law as well as provide the next Republican president with room to replace these policies with patient-centered reforms:

- **Delay the "Cadillac Tax" for Two Years:** Among all its various mandates and regulations, Obamacare forces people to buy more expensive insurance than they otherwise would, and then hits them with a "Cadillac Tax" for doing so. We can encourage competition in health care without punitive new taxes. The bill would delay the start date of the Cadillac Tax from 2018 to 2020.

- **Make the "Cadillac Tax" Deductible against Income Tax:** When the Cadillac Tax goes into effect in 2020, the bill will make payments of the tax permanently deductible against income tax. This change will conform the Cadillac Tax to how current law treats such excise taxes.

- **Suspend the Health Insurance Tax for One Year:** Only the Washington bureaucrats who proposed Obamacare would believe that charging an annual fee on health insurance providers would result in more affordable health plans for Americans. As expected, health insurance providers are directly passing this cost— among others— along to taxpayers in the form of higher premiums. This bill would suspend this costly tax for 2017.

Energy Taxes: The Omnibus contains changes to both natural resource and renewable energy tax provisions.

- **Wind PTC:** The Omnibus phases out the temporary wind PTC over five years as follows:
  - Current law (2015-2016), 80% (2017), 60% (2018), 40% (2019), 0% (2020 and beyond)

- **Solar ITC**: The Omnibus phases out the temporary 30% solar ITC and the residential energy-efficiency solar property credit over five years as follows:
  - Current law (2017-2019), 26% credit (2020), 22% credit (2021), 0% (2022 and beyond)

- **Natural Resources:** Because the package lifts the crude oil export ban, there will be increased economic incentives to refine crude near ports or refine crude abroad. To help mitigate the effects of lifting the ban to refiners who are not near ports, the proposal provides temporary tax relief to the transportation costs of certain refineries. The provision does not apply to integrated oil companies, and expires after 2021