



★ ★ COMMITTEE ON ★ ★  
**WAYS AND MEANS**  
CHAIRMAN KEVIN BRADY

## **Overview of the Health Tax Provisions Included in Legislation *As Proposed to be considered on the House Floor This Week***

Tax provisions on the floor this week in two separate bills – the “Protecting Americans from Tax Hikes (PATH) Act of 2015” and the Omnibus Appropriations legislation – mark an important step forward on the path to fundamental tax reform that will make our tax code simpler, fairer and flatter. These bills also contain 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:

### ***In the “Protecting Americans from Tax Hikes Act of 2015”:***

- **Suspend the Medical Device Tax for Two Years:** This tax hurts millions of Americans by increasing the cost of care, discouraging medical innovation, and destroying good jobs. We should promote the discovery of new medical technology, not tax it away. By suspending the medical device tax for 2016 and 2017, we’ll deliver relief to the innovators who create these life-saving devices and the patients who need this technology in order to live.

### ***In Omnibus Appropriations Legislation:***

- **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 other 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.