



# WAYS AND MEANS

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## Repealing Three of Obamacare's Most Damaging Taxes

Since Obamacare's partisan passage, Republicans have consistently fought to protect Americans from the harm of its trillion-dollar tax increase. This appropriations bill accomplishes a long-held Republican priority by permanently repealing three of the Democrats' most damaging Obamacare taxes. Republicans have led the way in stopping these destructive taxes by passing multi-year relief in 2015 and 2018.

1. **Repealing the Medical Device Tax.** After years of opposition from Democrats and at least a dozen House votes pushing for relief, H.R. 2207 (Kind (D-WI)/Walorski (R-IN) and cosponsored by 256 members) is included in this package, providing permanent repeal of Obamacare's medical device tax.

Under Obamacare, beginning in 2013, the manufacturer, producer, or importer of any taxable medical device must pay an excise tax equal to 2.3 percent of the sales price of such device. This tax from Democrats had negative effects on any patient seeking medical devices, like a pacemaker. According to the Tax Foundation, in 2013, the Democrats' tax lowered industry research and development spending by \$34 million. In addition, the tax is estimated to be responsible for the loss of tens of thousands of jobs in the medical device industry.

Republicans have long been champions of medical device tax relief. Full repeal passed the House last year, despite the vast majority of Democrats voting against the bill. Ways and Means Committee Republicans have twice offered amendments providing relief from the tax during markups, and Republicans have forced four procedural votes to consider full repeal on the floor this year alone.

2. **Repealing the Cadillac Tax.** H.R. 748 (Courtney (D-CT)/Kelly (R-PA) and cosponsored by 369 members), which passed the House earlier this year, is also in the package. The provision repeals Obamacare's egregious 40 percent excise tax on high-cost employer health plans, commonly referred to as the "Cadillac Tax."
3. **Repealing the Health Insurer Tax.** H.R. 2447 (Brindisi (D-NY)/Marchant (R-TX)), a permanent repeal of Obamacare's health insurer tax is included in the appropriations bill, starting in 2021. A permanent repeal and two-year delay of the tax passed separately in the House last Congress, despite the vast majority of Democrats voting in opposition.

The tax is directly passed on to consumers in the form of higher health insurance premiums. It is [estimated](#) to raise premiums by \$20.3 billion in 2020, averaging a premium increase of \$196 for an individual purchasing on his own and \$458 for a family with job-based coverage.

The Joint Committee on Taxation estimates repealing these three taxes will lower taxes by over \$350 billion over the next decade.