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CLIENT ALERT

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Affordable Care Act (ACA) Unconstitutional

On December 14, 2018, a federal district court judge in Texas ruled that the Affordable Care Act (ACA) is unconstitutional. The ruling was based on the reduction of the tax penalty to zero for individuals who do not comply with the individual mandate. The penalty was reduced to zero as part of the Tax Cuts and Jobs Act. The judge determined that the individual mandate portion of the ACA is inseverable from other parts of the law and, therefore, the entire law is unconstitutional. However, the law remains in effect to give states and other affected parties the opportunity to appeal the decision. Some states have already announced they will appeal the decision. *Texas v. U.S.*, Civil Action No. 4:18-cv-00167-O.

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Disclaimer: *This e-mail represents a general overview of tax developments and should not be relied upon without an independent, professional analysis of how any of these provisions may apply to a specific situation.*