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HOT OFF THE PRESS

HOUSE REPUBLICANS UNVEIL ACA REPEAL BILL

House Republicans, on the evening of March 6, 2017, unveiled their much anticipated Patient Protection and Affordable Care Act (ACA), P.L. 111-148, repeal and replacement legislation.

The ACA repeal and replacement legislation will repeal most of the ACA-related taxes, as well as eliminate the individual and employer mandate penalties. It will, however, retain the controversial Cadillac Tax, though delaying it until 2025. Additionally, the measure would provide a monthly tax credit between \$2,000 and \$4,000 a year (per individual and capped at \$14,000 per family) to assist certain individuals to purchase coverage.

Some General Provisions:

- Dismantle ACA taxes, including taxes on prescription drugs, over-the-counter medications, health-insurance premiums, and medical devices.
- Eliminate the individual and employer mandate penalties retroactive to January 1, 2016.
- Prohibit health insurers from denying coverage or charging more for pre-existing conditions. Allow dependents to continue staying on their parents' plan until they are 26.
- Establish a Patient and State Stability Fund.
- Revise Medicaid by transitioning to a "per capita allotment."
- Enhance and expand Health Savings Accounts (HSAs) to allow minimum deductions of \$6,550 for single and \$13,100 for family plans.
- Provide monthly tax credit between \$2,000 and \$14,000 a year, for low- and middle- income individuals and families not insured through work or a government program.
- Repeal the .9% earned income surtax and 3.8% unearned income surtax for years beginning after December 31, 2017.
- Repeal the \$2,500 cap for health FSA accounts for tax years beginning after December 31, 2017.

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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.*

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