

112TH CONGRESS
2D SESSION

H. R. 6088

To repeal certain tax increases enacted as part of health care reform.

IN THE HOUSE OF REPRESENTATIVES

JULY 9, 2012

Mr. SCHWEIKERT introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To repeal certain tax increases enacted as part of health care reform.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Total Repeal of the Unfair Taxes on Healthcare Act of
6 2012” or as the “TRUTH Act of 2012”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Repeal of excise tax on comprehensive health plans.
- Sec. 3. Repeal of surtax on investment income.

- Sec. 4. Repeal of disqualification of expenses for over-the-counter drugs under health flexible spending arrangements and health savings accounts.
- Sec. 5. Repeal of increase in tax on nonqualified distributions from health savings accounts.
- Sec. 6. Repeal of limitation on health flexible spending arrangements under cafeteria plans.
- Sec. 7. Repeal of increased threshold for itemized deduction for medical expenses.
- Sec. 8. Repeal of excise tax on indoor tanning services.
- Sec. 9. Repeal of individual health insurance mandate.
- Sec. 10. Repeal of employer health insurance mandate.
- Sec. 11. Repeal of excise tax on medical devices.
- Sec. 12. Repeal of annual fee on branded prescription drug manufacturers.
- Sec. 13. Repeal of annual fee on health insurance providers.
- Sec. 14. Repeal of study and report on repealed provisions.

1 SEC. 2. REPEAL OF EXCISE TAX ON COMPREHENSIVE
2 HEALTH PLANS.

3 Chapter 43 of the Internal Revenue Code of 1986 is
 4 amended by striking section 4980I (and by striking the
 5 item relating to such section in the table of sections for
 6 such chapter).

7 SEC. 3. REPEAL OF SURTAX ON INVESTMENT INCOME.

8 (a) IN GENERAL.—Subtitle A of the Internal Rev-
 9 enue Code of 1986 is amended by striking chapter 2A and
 10 by striking the item relating to chapter 2A from the table
 11 of chapters for such subtitle.

12 (b) CONFORMING AMENDMENTS.—Section 6654 of
 13 such Code is amended—

14 (1) in subsection (a), by striking “the tax under
 15 chapter 2, and the tax under chapter 2A” and in-
 16 serting “and the tax under chapter 2”, and

17 (2) in subsection (f)—

1 (A) by striking “plus” at the end of para-
 2 graph (2) and inserting “minus”, and

3 (B) by striking paragraph (3) and redesignig-
 4 nating paragraph (4) as paragraph (3).

5 (c) EFFECTIVE DATE.—The amendments made by
 6 this section shall apply to taxable years beginning after
 7 December 31, 2012.

8 **SEC. 4. REPEAL OF DISQUALIFICATION OF EXPENSES FOR**
 9 **OVER-THE-COUNTER DRUGS UNDER HEALTH**
 10 **FLEXIBLE SPENDING ARRANGEMENTS AND**
 11 **HEALTH SAVINGS ACCOUNTS.**

12 (a) HEALTH FLEXIBLE SPENDING ARRANGEMENTS
 13 AND HEALTH REIMBURSEMENT ARRANGEMENTS.—Sec-
 14 tion 106 of the Internal Revenue Code of 1986 is amended
 15 by striking subsection (f).

16 (b) HSAs.—Subparagraph (A) of section 223(d)(2)
 17 of such Code is amended by striking the last sentence.

18 (c) ARCHER MSAs.—Subparagraph (A) of section
 19 220(d)(2) of such Code is amended by striking the last
 20 sentence.

21 (d) EFFECTIVE DATES.—

22 (1) REIMBURSEMENTS.—The amendment made
 23 by subsection (a) shall apply to expenses incurred
 24 with respect to taxable years beginning after Decem-
 25 ber 31, 2010.

1 (2) DISTRIBUTIONS FROM SAVINGS AC-
 2 COUNTS.—The amendments made by subsections (b)
 3 and (c) shall apply to amounts paid with respect to
 4 taxable years beginning after December 31, 2010.

5 **SEC. 5. REPEAL OF INCREASE IN TAX ON NONQUALIFIED**
 6 **DISTRIBUTIONS FROM HEALTH SAVINGS AC-**
 7 **COUNTS.**

8 (a) HSAs.—Section 223(f)(4)(A) of the Internal
 9 Revenue Code of 1986 is amended by striking “20 per-
 10 cent” and inserting “10 percent”.

11 (b) ARCHER MSAs.—Section 220(f)(4)(A) of such
 12 Code is amended by striking “20 percent” and inserting
 13 “15 percent”.

14 (c) EFFECTIVE DATE.—The amendments made by
 15 this section shall apply to distributions made after Decem-
 16 ber 31, 2010.

17 **SEC. 6. REPEAL OF LIMITATION ON HEALTH FLEXIBLE**
 18 **SPENDING ARRANGEMENTS UNDER CAFE-**
 19 **TERIA PLANS.**

20 (a) IN GENERAL.—Section 125 of the Internal Rev-
 21 enue Code of 1986 is amended by striking subsection (i).

22 (b) EFFECTIVE DATE.—The amendment made by
 23 this section shall apply to taxable years beginning after
 24 December 31, 2012.

1 **SEC. 7. REPEAL OF INCREASED THRESHOLD FOR ITEMIZED**
2 **DEDUCTION FOR MEDICAL EXPENSES.**

3 (a) IN GENERAL.—Subsection (a) of section 213 of
4 the Internal Revenue Code of 1986 is amended by striking
5 “10 percent” and inserting “7.5 percent”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 56(b)(1)(B) of such Code is amend-
8 ed by striking “without regard to subsection (f) of
9 such section” and inserting “by substituting ‘10 per-
10 cent’ for ‘7.5 percent’”.

11 (2) Section 213 of such Code is amended by
12 striking subsection (f).

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2012.

16 **SEC. 8. REPEAL OF EXCISE TAX ON INDOOR TANNING**
17 **SERVICES.**

18 (a) IN GENERAL.—Subtitle D of the Internal Rev-
19 enue Code of 1986 is amended by striking chapter 49 (and
20 by striking the item relating to such chapter in the table
21 of chapters for such subtitle).

22 (b) EFFECTIVE DATE.—The amendment made by
23 this section shall apply to services performed after the
24 date of the enactment of this Act.

1 **SEC. 9. REPEAL OF INDIVIDUAL HEALTH INSURANCE MAN-**
 2 **DATE.**

3 Section 5000A of the Internal Revenue Code of 1986
 4 is amended by adding at the end the following new sub-
 5 section:

6 “(h) TERMINATION.—This section shall not apply
 7 with respect to any month beginning after the date of the
 8 enactment of this subsection.”.

9 **SEC. 10. REPEAL OF EMPLOYER HEALTH INSURANCE MAN-**
 10 **DATE.**

11 (a) IN GENERAL.—Chapter 43 of the Internal Rev-
 12 enue Code of 1986 is amended by striking section 4980H.

13 (b) REPEAL OF RELATED REPORTING REQUIRE-
 14 MENTS.—Subpart D of part III of subchapter A of chap-
 15 ter 61 of such Code is amended by striking section 6056.

16 (c) CONFORMING AMENDMENTS.—

17 (1) Subparagraph (B) of section 6724(d)(1) of
 18 such Code is amended by inserting “or” at the end
 19 of clause (xxiii), by striking “and” at the end of
 20 clause (xxiv) and inserting “or”, and by striking
 21 clause (xxv).

22 (2) Paragraph (2) of section 6724(d) of such
 23 Code is amended by inserting “or” at the end of
 24 subparagraph (FF), by striking “, or” at the end of
 25 subparagraph (GG) and inserting a period, and by
 26 striking subparagraph (HH).

1 (3) The table of sections for chapter 43 of such
2 Code is amended by striking the item relating to sec-
3 tion 4980H.

4 (4) The table of sections for subpart D of part
5 III of subchapter A of chapter 61 of such Code is
6 amended by striking the item relating to section
7 6056.

8 (5) Section 1513 of the Patient Protection and
9 Affordable Care Act is amended by striking sub-
10 section (c).

11 (d) EFFECTIVE DATES.—

12 (1) IN GENERAL.—Except as otherwise pro-
13 vided in this subsection, the amendments made by
14 this section shall apply to months and other periods
15 beginning after December 31, 2013.

16 (2) REPEAL OF STUDY AND REPORT.—The
17 amendment made by subsection (c)(5) shall take ef-
18 fect on the date of the enactment of this Act.

19 **SEC. 11. REPEAL OF EXCISE TAX ON MEDICAL DEVICES.**

20 (a) IN GENERAL.—Chapter 32 of the Internal Rev-
21 enue Code of 1986 is amended by striking subchapter E
22 (and by striking the item relating to such subchapter in
23 the table of subchapters of such chapter).

24 (b) CONFORMING AMENDMENTS.—

1 (1) Section 4221(a) of such Code is amended
2 by striking the last sentence.

3 (2) Section 6416(b)(2) of such Code is amend-
4 ed by striking the last sentence.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to sales after December 31, 2012.

7 **SEC. 12. REPEAL OF ANNUAL FEE ON BRANDED PRESCRIP-**
8 **TION DRUG MANUFACTURERS.**

9 (a) IN GENERAL.—The Patient Protection and Af-
10 fordable Care Act is amended by striking section 9008.

11 (b) CONFORMING AMENDMENT.—Section 1841(a) of
12 the Social Security Act is amended by striking “or section
13 9008(c) of the Patient Protection and Affordable Care Act
14 of 2009”.

15 (c) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to calendar years beginning after
17 December 31, 2011.

18 **SEC. 13. REPEAL OF ANNUAL FEE ON HEALTH INSURANCE**
19 **PROVIDERS.**

20 (a) IN GENERAL.—The Patient Protection and Af-
21 fordable Care Act is amended by striking section 9010.

22 (b) EFFECTIVE DATE.—The amendment made by
23 this section shall apply to calendar years beginning after
24 December 31, 2013.

1 **SEC. 14. REPEAL OF STUDY AND REPORT ON REPEALED**
2 **PROVISIONS.**

3 The Patient Protection and Affordable Care Act is
4 amended by striking section 9011.

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