

**SUMMARY AND ESTIMATED REVENUE EFFECTS
OF TAX PROVISIONS
OF THE ADMINISTRATION'S HEALTH SECURITY ACT**

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of the
JOINT COMMITTEE ON TAXATION**

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INTRODUCTION

This document,¹ prepared by the staff of the Joint Committee on Taxation, provides a summary and estimated revenue effects of the tax provisions of the Administration's proposed Health Security Act (introduced in H.R. 3600, S. 1757, and S. 1775).²

Part I of the document is a brief summary of the tax provisions of the bill (Title VII); and Part II shows the estimated revenue effects of the tax provisions of the bill.

¹ This document may be cited as follows: Joint Committee on Taxation, Summary and Estimated Revenue Effects of the Tax Provisions of the Administration's Health Security Act (JCX-1-94), February 8, 1994.

² For a detailed description and analysis of the tax provisions, see Joint committee on Taxation, Description and Analysis of Title VII of H.R. 3600, S. 1757, and S. 1775 ("Health Security Act") (JCS-20-93), December 20, 1993. See also, Joint Committee on Taxation, Description and Analysis of the Employer Mandate and Related Provisions of H.R. 3600 ("Health Security Act") (JCS-1-94), February 2, 1994.

I. SUMMARY OF PROVISIONS IN TITLE VII OF THE HEALTH SECURITY ACT

The Health Security Act (the "bill") would make a number of changes to the Internal Revenue Code (the "Code"). Some of these changes are intended to be financing provisions for the health care provisions of the bill and some are intended as revisions of health care-related provisions in the Code. These provisions are contained in Title VII of the bill.

Financing provisions

Increase in tobacco excise taxes (secs. 7111-7113).--The bill would increase the tax rate on cigarettes by \$0.75 per pack of 20 cigarettes, with comparable increases based on tobacco content being imposed on other tobacco products. The provisions would be effective for tobacco products removed from a bonded production premises after September 30, 1994. A floor stocks tax would be imposed on tobacco products held on the effective date.

Assessment on corporate alliance employers (sec. 7121).--The bill would impose an annual assessment equal to 1 percent of payroll on large employers that elect to form corporate alliances. The assessment would be effective on January 1, 1996.

Temporary assessment on employers with retiree health costs (sec. 7121).--In general, the bill would provide that the cost of providing the comprehensive benefit package to retirees between the ages of 55 and 65 is to be paid by the Federal Government. In some cases, employers may have had plans which obligated them to pay these retiree medical costs. To prevent a windfall to such employers, the bill would impose a temporary assessment on all employers with retiree health costs for the period 1991 to 1993 (the "base period"). The assessment for a year would be equal to 50 percent of the greater of (1) the "adjusted base period retiree health costs" of the employer for the year, or (2) the amount by which the employer's applicable retiree health costs for the year were reduced by reason of the enactment of the Health Security Act. The temporary assessment would apply to 1998, 1999, and 2000.

Recapture of certain health care subsidies received by high-income individuals (sec. 7131).--Under the bill, taxpayers with modified adjusted gross income (AGI) above a threshold amount would be required to pay additional premiums for coverage under part B of Medicare. In addition, eligible retirees and qualified spouses and children with modified AGI above the threshold amount would be required to pay the employer share of their premium for health care under the comprehensive benefit package. The threshold amount would be \$90,000 for unmarried

taxpayers and \$115,000 for married taxpayers filing joint returns. The amount of these payments would be phased in for taxpayers with modified AGI which exceeds the threshold amount by less than \$15,000 (\$30,000 in the case of married taxpayers filing a joint return if each spouse is required to pay additional premiums). The provision relating to part B Medicare premiums would be effective for taxable years beginning after December 31, 1995. The provision relating to payment of premiums under the comprehensive benefits package would be effective January 1, 1998.

Modification of self-employment tax treatment of certain S corporation shareholders and partners (sec. 7141).--The bill would (1) amend the definition of net earnings from self-employment subject to self-employment taxes to include the pro rata share of certain S corporation income of certain shareholders and (2) modify the definition of net earnings from self-employment as applied to limited partners in a partnership for self-employment tax and health insurance premiums purposes. These provisions would apply to taxable years of individuals beginning after December 31, 1995, and to taxable years of S corporations and partnerships ending with or within such taxable years of individuals.

Extending Medicare coverage to all State and local government employees (sec. 7142).--Under present law, State and local government employees hired before April 1, 1986, are not covered under Medicare unless a voluntary agreement providing for such coverage is in effect. The bill would extend Medicare coverage on a mandatory basis to all employees of State and local governments not otherwise covered under present law, without regard to their dates of hire. These employees and their employers would become liable for the hospital insurance tax, and the employee would earn credit toward Medicare eligibility. This provision would apply to services performed by State and local government employees after September 30, 1995.

Tax treatment of employer-provided health care

Exclusion for employer-provided accident or health care (sec. 7201).--Under present law, all employer contributions for accident or health coverage are excludable from an employee's income. Under the bill, employer contributions to an accident or health plan would be excludable from gross income and wages for income and employment tax purposes only to the extent the contributions are for (1) the comprehensive benefit package provided for under the bill, (2) cost sharing amounts under the comprehensive benefit package (including cost sharing policies) or (3) permitted coverage. Permitted coverage would mean (1) coverage providing wages or payments in lieu of wages for any period during which the employee is absent from work on account of sickness or injury, (2) coverage providing payment for

permanent injuries of an employee, or his or her spouse or dependent, that are computed with reference to the nature of the injury without regard to the period the employee is absent from work, (3) retiree health coverage provided to former employees after age 65, (4) coverage under a qualified long-term care policy, (5) coverage provided under Federal law to veterans or any member of the Armed Forces of the United States and their spouses and dependents, and (6) any other employer-provided coverage which the Secretary of the Treasury determines should be excludable.

The limit on the exclusion for employer-provided accident or health coverage would be effective on and after January 1, 2004, except that it would apply to flexible spending accounts on and after January 1, 1997. For this purposes, a flexible spending account would be defined as a benefit program that provides employees with coverage under which specified, incurred expenses may be reimbursed and under which the maximum amount of reimbursement that is reasonably available to a participant for such coverage is less than 200 percent of the value of such coverage.

Cafeteria plans (sec. 7202).--Under the bill, accident or health coverage could not be provided through a cafeteria plan unless the coverage constitutes wages or payments in lieu of wages for any period during which the employee is absent from work on account of sickness or injury. This provision would be effective on and after January 1, 1997.

Health insurance expenses of self-employed individuals (sec. 7203).--Under prior law, self-employed individuals could deduct 25 percent of the health insurance costs for themselves and their spouses or dependents. This deduction expired December 31, 1993. The bill would make the deduction for health insurance expenses permanent. In addition, effective on the earlier of January 1, 1997, or the first day on which the taxpayer could purchase comprehensive health coverage under the bill, up to 100 percent of the cost of the comprehensive health coverage could be deductible. The 25-percent deduction would continue until the 100-percent deduction is available.

Limitation on prepayment of medical insurance premiums (sec. 7204).--Under present law, taxpayers who itemize deductions may deduct amounts paid during the taxable year (if not reimbursed by insurance or otherwise) for medical care of the taxpayer and the taxpayer's spouse or dependents to the extent that the total of such expenses exceeds 7.5 percent of the taxpayer's adjusted gross income. The Internal Revenue Service

recently issued a revenue ruling³ stating that previous rulings⁴ permitting a current deduction for fees for medical services to be provided in the future (if at all) should not be interpreted to allow a current deduction of payments for medical care (including medical insurance) extending substantially beyond the close of the taxable year in situations where the future care is not purchased in connection with obtaining lifetime care of the type described in the earlier rulings. Under the bill, for purposes of this itemized deduction, amounts paid during a taxable year that are allocable to insurance coverage or medical care to be provided during periods more than 12 months after the month in which the payment is made would be treated as paid ratably over the period during which the coverage or care is to be provided. This limitation would not apply to any premium paid under a qualified long-term care policy. The provision would apply to amounts paid after December 31, 1996.

Employment status provisions

Definition of employee (secs. 7301 and 7303).--The bill would repeal section 530 of the Revenue Act of 1978, which provides safe harbor rules under which service recipients can treat individuals as not being employees for employment tax purposes. The bill would codify a modified version of section 530 which would protect taxpayers against retroactive reclassification of workers as employees. The bill would also give the Secretary of the Treasury the authority to define the term "employee" by prospective regulations. The modified rules would generally apply for income tax purposes, employment tax purposes, and the bill's health care provisions. The provision relating to section 530 would generally be effective for periods beginning after December 31, 1995. The provision authorizing regulations would be effective on the date of enactment.

Increase in penalties for failure to file current information returns with respect to non-employees (sec. 7302).--The Internal Revenue Code contains a number of information reporting requirements. The bill would modify the penalties for failure to comply with these requirements in the case of two types of information returns: (1) information returns under Code section 6041(a) which relate to payments to any person

³ Rev. Rul. 93-72, 1993-34 IRB 7 (Nov. 1, 1993). The ruling applies to amounts paid on or after October 14, 1993, except amounts paid pursuant to the terms of a binding contract entered into before that date.

⁴ Rev. Rul. 75-302, 1975-2 C.B. 86; Rev. Rul. 75-303, 1975-2 C.B. 87; Rev. Rul. 76-481, 1976-2 C.B. 82.

for services performed by such person (other than as an employee); and (2) returns regarding remuneration for services under Code section 6041A(a). Both of these sections of the Code relate to information returns with respect to payments made to non-employees, such as independent contractors. In general, the bill would increase the penalty for failure to file correct information returns on or before August 1 from \$50 for each return to the greater of \$50 or 5 percent of the amount required to be reported correctly but not so reported. The provision would apply to information returns the due date for which (without regard to extensions) is more than 30 days after the date of enactment.

Tax treatment of funding of retiree health benefits (secs. 7401 and 7402)

Under present law, an employer may deduct contributions, within limits, made to a welfare benefit fund to prefund post-retirement medical and life insurance benefits. These rules generally permit the cost of the benefits to be funded over the working life of the employee. In addition, retiree medical benefits may be prefunded (within limits) through a separate account maintained under a tax-qualified pension plan (Code sec. 401(h)).

Effective with respect to contributions paid or accrued after December 31, 1994, the bill would provide that the minimum period during which the cost of post-retirement medical and life insurance coverage could be funded under a welfare benefit fund would be at least 10 years. In addition, contributions would not be permitted to be made to retiree medical accounts under pension plans after December 31, 1994.

Coordination with health care continuation rules (sec. 7501)

The health care continuation rules require that qualified beneficiaries that received coverage under a group health plan be provided the opportunity to purchase health insurance for a specified period under the group health plan after the occurrence of a qualifying event (e.g., termination of employment) that otherwise would have terminated such health insurance coverage. These rules are designed to prevent gaps in health care coverage. The bill would repeal the health care continuation rules, effective on the earlier of January 1, 1998, or the first day of the calendar year following the calendar year in which each State has in effect health plans under which individuals are eligible to receive comprehensive health coverage under the bill.

Tax treatment of organizations providing health care services and related organizations (secs. 7601-7603)

The bill would establish certain new requirements applicable to nonprofit health care providers (hospitals and health maintenance organizations (HMOs)) seeking to qualify as tax-exempt charitable organizations under Code section 501(c)(3). In particular, the bill would amend the Code specifically to require that, in order for the provision of health care services to constitute a charitable activity for purposes of section 501(c)(3), the organization providing such services must periodically assesses the health care needs of its community and develop a plan to meet those needs. In addition, the bill would provide that an HMO seeking tax-exempt status under section 501(c)(3) must furnish health care services to its members at its own facilities through health care professionals who do not provide substantial health care services other than on behalf of such organization. These provisions would be effective January 1, 1995.

The bill further would provide that organizations which serve as parent holding companies for hospitals or medical research organizations constitute public charities rather than private foundations. The bill also would add the to-be-established regional alliances to the list of tax-exempt organizations set forth in section 501(c). These provisions would be effective on the date of enactment.

The bill also would subject HMOs that are exempt under either 501(c)(3) or 501(c)(4) to new rules defining "commercial-type" insurance for purposes of section 501(m). In general, health insurance provided by an HMO would be treated as commercial-type insurance if it relates to care which is not provided pursuant to a pre-existing arrangement between the HMO and a health care provider (other than emergency care provided to a member of such organization at a location outside such member's area of residence). The bill would identify four types of health insurance provided by an HMO that would not be treated as commercial-type insurance and thus, would not jeopardize the organization's tax-exempt status. Such non-commercial-type health insurance coverages generally would address emergency situations and situations in which a health care provider has a pre-existing relationship with an HMO whereby the HMO exerts control over either the fee charged by the service provider or the member's use of such provider's services. These provisions would be effective on the date of enactment.

The bill also would redefine the scope of organizations treated as taxable property and casualty insurance companies. Effective for taxable years beginning after December 31, 1996, any organization that is not tax-exempt, and whose primary and

predominant business activity during the taxable year falls in one of three categories, would be treated as a property and casualty insurance company. The three categories of activities would be: (1) issuing accident and health insurance contracts or reinsuring accident and health risks; (2) operating as an HMO; or (3) entering into arrangements to provide or arrange for the provision of health care services in exchange for fixed payments or premiums that do not vary depending on the amount of health care services provided.

The bill also would repeal two of the special rules provided under Code section 833 to Blue Cross and Blue Shield organizations and other eligible organizations, and would provide transition rules for organizations that become subject to section 833 after the effective date. These provisions generally would be effective for taxable years beginning after December 31, 1996.

Tax treatment of long-term care services and insurance

Long-term care services and insurance (secs. 7701 and 7702). -- The bill would provide that expenditures for qualified long-term care services provided to an incapacitated individual are treated as medical care for purposes of the itemized deduction for medical expenses. The bill would provide that, for purposes of the Internal Revenue Code: (1) a qualified long-term care insurance policy is treated as an accident or health insurance contract; (2) any plan of an employer that provides coverage under a qualified long-term care insurance policy is treated as an accident or health insurance contract (so that employer contributions for such a policy are excludable from income); (3) amounts (other than policy holder dividends or premium refunds) received under such a contract or plan with respect to qualified long-term care services are treated as amounts received for personal injuries or sickness and as reimbursements for expenses actually incurred for purposes of the medical expense deduction (and thus, are excludable from gross income); (4) amounts paid for a qualified long-term care insurance policy are treated as amounts paid for insurance for purposes of the medical expense deduction, and (5) a qualified long-term care insurance policy is treated as a guaranteed renewable contract subject to the rules of Code section 816(e).

The provision relating to the deductibility of expenses for qualified long-term care services would apply to taxable years beginning after December 31, 1995. The other provisions of the bill relating to long-term care would apply to policies issued after December 31, 1995.

Accelerated death benefits under life insurance contracts (secs. 7703 and 7704).--Effective for taxable years beginning after December 31, 1993, the bill would provide an exclusion from gross income for certain distributions (accelerated death benefits) received by an individual under a life insurance contract if the insured under the contract is terminally ill. For insurance company tax purposes, the bill would provide that a qualified accelerated death benefit rider to a life insurance contract is treated as life insurance and that such a rider is treated as a qualified additional benefit. The provision relating to the tax treatment of insurance companies would apply to contracts issued after December 31, 1993.

Tax incentives for health services providers

Nonrefundable credit for certain primary health services providers (sec. 7801).--Under the bill, a physician who provides primary health services in certain medically underserved areas would be eligible for a nonrefundable credit against Federal income taxes of \$1,000 per month for up to 60 months. The provision would be effective for taxable years beginning after December 31, 1994.

Expensing of medical equipment (sec. 7802).--Under present law, in lieu of taking depreciation, a taxpayer with a sufficiently small amount of annual investment may elect to deduct up to \$17,500 of the cost of qualifying property placed in service for the taxable year under Code section 179. The bill would increase the amount allowed to be deducted under section 179 in a taxable year by the lesser of (1) the cost of section 179 property which is health care property placed in service during the year, or (2) \$10,000. The provision would apply to property placed in service after December 31, 1994.

Miscellaneous provisions

Tax credit for personal assistance services (sec. 7901).--Effective for taxable years beginning after December 31, 1995, the bill would provide a nonrefundable tax credit for up to 50 percent of an employed individual's personal assistance expenses up to \$15,000.

Denial of tax-exempt status for borrowings of health-related entities (sec. 7902).--Under present law, interest on bonds issued to finance activities of State and local governments generally is tax exempt. However, interest on private activity bonds is taxable unless the bonds are issued for a purpose specifically identified in the Internal Revenue Code. The bill would provide that regional and corporate health alliances created pursuant to the bill would be treated as private businesses that are generally not eligible for tax-exempt

financing. Similarly, State guaranty funds established pursuant to section 1204 of the bill would be treated as private business users and generally could not be funded with the proceeds of tax-exempt bonds. This provision would be effective for obligations issued after the date of enactment.

Disclosure of return information (sec. 7903).--The Internal Revenue Code prohibits disclosure of tax returns and return information, except to the extent specifically authorized by the Code. The bill would permit disclosure of certain tax return information to any Federal or State agency providing assistance under the Health Security Act for use in verifying eligibility for such assistance. The provision would be effective on the date of enactment.

II. ESTIMATED REVENUE EFFECTS OF TAX PROVISIONS IN THE HEALTH SECURITY ACT

The following table shows the estimated revenue effects of the various tax provisions in the Administration's proposed Health Security Act for fiscal years 1995 through 2004. These revenue estimates were prepared by the staff of the Joint Committee on Taxation (Joint Committee staff) in cooperation with the Congressional Budget Office (CBO) as it prepared estimates of the outlay effects of the Health Security Act.

The Joint Committee staff normally does not provide revenue estimates for fiscal years outside the standard five-year budget window (fiscal years 1995 through 1999), but an exception has been made for the Health Security Act for two reasons. First, the full impact of many provisions of the Act would not be apparent until the year 2000 or later. Second, the Congressional Budget Office has prepared baseline macroeconomic forecasts and baseline health expenditure forecasts through calendar year 2004 for the purpose of estimating the outlay effects of the Act. These macroeconomic forecasts are a necessary input for revenue estimation, and are not otherwise available for years outside the five-year budget window.

Each of the revenue provisions in the Health Security Act has been estimated under the assumption that it is the last to be implemented. Thus, each line item in the revenue table represents the marginal effect of adding the applicable tax provision to the bill, assuming that all other provisions are in place. Readers should exercise caution in the use of these revenue estimates. If two or more tax provisions were deleted from the bill, interactions among the provisions may cause the total change in tax revenues to be smaller or larger than the sum of the amounts shown separately for each tax provision.

The revenue effects presented here include the impact of certain non-revenue provisions of the bill. For example, the Health Security Act contains a mandate for employers to contribute to the cost of health insurance for most active workers. However, it is assumed that the Act would have the overall effect of reducing total employer spending on health insurance. This reduction is attributable to two features of the bill: (1) the cost containment provisions (including the caps on premium increases) which are assumed to result in slower growth of health insurance premiums, and (2) the Federal subsidies to certain employers which reduce the amounts that employers would otherwise be required to pay. The reduction in employer contributions for health insurance is assumed to result in higher cash wages for active workers, and higher income and payroll tax revenues. Universal health insurance coverage would also reduce

out-of-pocket health spending by households, resulting in smaller itemized medical deductions, larger taxable incomes, and higher income tax revenues. In addition, the Federal assumption of responsibility for a large portion of health insurance premiums for early retirees will have the effect of raising corporate profits and income tax payments. All of these revenue effects are included in the last line of the revenue table, under "income and payroll tax effects."

A comparison of Joint Committee staff revenue estimates for the Health Security Act with those provided by the Administration in the Fiscal Year 1995 U.S. Budget reveals several provisions whose estimates vary significantly. For example, the Administration's estimate for the 1-percent assessment on corporate alliances totals approximately \$24 billion over fiscal years 1996 through 2000; the corresponding Joint Committee staff estimate is \$7.6 billion. Underlying the lower estimate is a forecast in which significantly fewer eligible employers will elect to form corporate alliances. The Administration's revenue estimate for repeal of health spending through cafeteria plans is \$21 billion higher than the Joint Committee staff estimate. The difference stems largely from assumptions regarding the amount of tax-sheltered health spending that would flow into wages as a result of the repeal.

Readers should note that estimates for many of the provisions in the following table are very sensitive to the details of the Administration's health reform bill. For example, changes in the basic health benefits plan, the employer mandate, or other features of the bill could have significant effects on revenue estimates for the individual tax provisions in the table. Thus, many of the estimates contained in the table will change significantly if included in a different health reform proposal or enacted separately.

**ESTIMATED REVENUE EFFECTS OF TAX PROVISIONS IN THE
 HEALTH SECURITY ACT**

Fiscal Years 1995-2004

[Billions of Dollars]

Section	Provision	Effective	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	1995-04
7111.-	Increase in excise taxes on tobacco												
7113.	products.....	10/1/94	14.2	11.4	11.2	10.9	10.5	10.3	10.0	9.8	9.7	9.5	107.5
7121.	Assessment on corporate alliance												
	employers.....	1/1/96	--	1.4	1.7	1.6	1.5	1.4	1.3	1.2	1.2	1.3	12.5
7121.	Temporary assessment on employers with												
	retiree health benefit costs.....	1/1/98	--	--	--	2.9	4.7	5.1	1.8	--	--	--	14.5
7131.	Recapture of certain health care subsidies												
	received by high-income individuals.....	1/1/96	--	--	1.7	1.1	1.4	1.7	2.1	2.6	3.2	3.9	17.7
7141.	Modification to self-employment tax												
	treatment of certain S corporation share-												
	holders and partners.....	1/1/96	--	0.2	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.7	4.7
7142.	Extending of Medicare coverage of, and												
	application of hospital insurance tax to all												
	State and local government employees (1)..	10/1/95	--	1.6	1.6	1.5	1.5	1.4	1.4	1.3	1.2	1.1	12.6
7201.	Limitation on exclusion for employer-												
	provided health benefits other than												
	flexible spending arrangements.....	1/1/04 (2)	--	--	--	--	--	--	--	--	--	--	--- Negligible ---
7202.	Health benefits may not be provided												
	under cafeteria plans (3).....	1/1/97	--	--	1.0	1.8	3.1	4.2	5.3	6.0	6.7	7.3	35.4
7203.	Deduction for health insurance costs												
	of self-employed individuals.....	1/1/94	-0.8	-0.7	-1.0	-1.8	-2.1	-2.3	-2.5	-2.6	-2.8	-3.0	-19.6

Section	Provision	Effective	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	1995-04
7204.	Limitation on prepayment of health insurance premiums.....	1/1/97	- - - - - Negligible Revenue Effect - - - - -										---
7301.	Definition of employee.....	(4)	- - - - - [Included with Sec. 7303.] - - - - -										---
7302.	Increase in services reporting penalties.....	ird30/DoE	--	--	--	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(6)
7303.	Revision of section 530 safe-harbor rules....	1/1/96	--	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	-0.1
7401.	Post-retirement medical and life insurance reserves.....	1/1/95	- - - - - Negligible Revenue Effect - - - - -										---
7402.	Health benefits accounts maintained by pension plans.....	1/1/95 (8)	--	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(10)
7501.	Coordination with COBRA continuing-care provisions.....	1/1/98	- - - - - Negligible Revenue Effect - - - - -										---
7601.	Treatment of nonprofit health care organizations.....	1/1/95	- - - - - No Revenue Effect - - - - -										---
7602.	Elimination of special rules applicable to certain taxable insurance companies.....	tyba 12/31/96	--	--	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.8
7603.	Exemption from income tax for regional alliances.....	tyba DoE	- - - - - No Revenue Effect - - - - -										---
7701.	Qualified long-term care services treated as medical care.....	1/1/96	--	(7)	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-1.3
7702.	Treatment of long-term care insurance.....	1/1/96	--	(7)	-0.3	-0.3	-0.4	-0.5	-0.6	-0.7	-0.8	-0.9	-4.6
7703.	Tax treatment of accelerated death benefits under life insurance contracts.....	1/1/94	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.5
7704.	Tax treatment of companies issuing qualified accelerated death benefits riders.....	1/1/94	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	-0.1
7801.	Nonrefundable credit for certain primary health services providers.....	1/1/95	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	-0.1
7802.	Expensing of medical equipment.....	ppisa 12/31/94	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	-0.1
7901.	Tax credit for cost of personal assistance services required by employed individuals...	1/1/96	--	(7)	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-1.0
7902.	Denial of tax-exempt status for borrowings of health care-related entities.....	DoE	- - - - - Negligible Revenue Effect - - - - -										---

Section	Provision	Effective	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	1995-04
7903.	Disclosure of return information for administration of certain programs under the Health Security Act.....	DoE	----- No Revenue Effect -----										
	Income and payroll tax effects of employer mandate, cost containment, and other non-tax provisions.....		--	-0.1	0.5	3.7	8.1	11.8	15.8	21.8	27.7	33.8	123.2
GRAND TOTALS.....			13.4	13.8	16.7	21.7	28.6	33.4	34.9	39.6	46.3	53.3	301.5

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend for "Effective" column: DoE = date of enactment
 ird 30/DoE = information returns due 30 days after date of enactment
 ppisa = property placed in service after
 tyba = taxable years beginning after

- (1) Estimate provided by the Congressional Budget Office.
- (2) The effective date of the limitation on the exclusion for benefits provided under a flexible spending arrangement is 1/1/97.
- (3) Estimate includes the effects of prohibiting the use of flexible spending arrangements for health care expenses.
- (4) Effective no earlier than 6 months after proposed regulations are issued.
- (5) Gain of less than \$1 million.
- (6) Gain of less than \$5 million.
- (7) Loss of less than \$50 million.
- (8) With a delayed effective date for collectively bargained plans.
- (9) Gain of less than \$25 million.
- (10) Gain of less than \$100 million.