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Happy Anniversary Obamacare Taxes, Many Happy Returns

On the fifth anniversary of the Affordable Care Act, Sylvia M. Burwell, U.S. Secretary of Health and Human Services, waxed eloquently. She showcased a story about one American, who counts the ACA as a lifesaver. It is a useful reminder, as are a few of the statistics the Secretary lauds. But five years ago this week, most of the stories are of a less hopeful kind, and one that offers grim cost-benefit trade-offs.

Most people who are asked believe [Obamacare at five years old is a disappointment](#). For all the enormous costs, which are getting worse, polls suggest that 52.5% oppose the law, while only 42% approve of it. As [Grace-Marie Turner](#) put it, our health sector has been thrown into turmoil, millions of people have lost their private health plans, \$1 trillion in new and higher taxes have been imposed on individuals and businesses, and the uninsured rate dropped a net of 1.5%. Truly, [for many Americans, opposition to Obamacare has become personal](#).



US President Barack Obama speaks during a meeting with Americans who say they have benefited from the Affordable Care Act, commonly known as 'Obamacare,' in the Roosevelt Room of the White House in Washington, DC, February 3, 2015. (Photo credit: SAUL LOEB/AFP/Getty Images)

But on this five year anniversary, we do have many taxes to celebrate! How many Obamacare taxes are there? It all depends on how you count. First, let's note the obvious. This has been a bad tax season opener, with new and widespread fears about tax fraud and identity theft. Tax filing season arrived with a bang, and now the [FBI is investigating fraudulent tax returns filed through TurboTax](#).

Some taxpayers claim their federal refunds are in jeopardy. Taxpayers interviewed about [fraudulent tax filings](#) said their IRS data was compromised and returns were filed in their names. Some speculate the fraudulent returns were based on leaks of their 2013 tax return data. In past years, it seemed stressful to collect W-2s and 1099s, and discover you are [missing a Form 1099](#) or K-1. This year makes the usual stresses seem like the good old days.

Still, part of the stress this year is Obamacare, its new taxes and new forms. Yet for most of the approximately 85% of Americans who have health insurance and who make less than \$250,000 a year, you can relax. Most of the new taxes are unlikely to hurt you or impact your pocketbook. Even so, it's easy to be overwhelmed, which is one reason the IRS has a 21-page [Publication 5187](#) on the Health Care Law: What's New for Individuals and Families.

If you'd rather be entertained, there's always President Obama's [Buzzfeed video](#). And let's look at 3 new forms, including the [1095-A Health Insurance Marketplace Statement](#), the [Form](#)

[8962 Premium Tax Credit](#), and [Form 8965 Health Coverage Exemptions](#). Forms 1095-A and 8962 are for people who bought health coverage through the Marketplace. Form 8965 is for those who got a [Marketplace](#) coverage exemption or plan to claim an exemption.

For that 'how many taxes' question, it depends how you count and what you regard as a tax. But here's my tally:

1. 2.3% Tax on Medical Device Manufacturers (this doesn't hit you directly, but indirectly it sure can).
2. 3.8% Net Investment Income Tax. This one is a big one. Depending on your income, it adds a 3.8% tax on top of your interest, dividends and capital gains.
3. Employer Mandate on business with over 50 full-time equivalent employees to provide health insurance to full-time employees. \$2000 per employee \$3000 if employee uses tax credits to buy insurance on the exchange.
4. 40% Excise Tax on high-end (Cadillac) Health Insurance Plans (40% excise tax on the portion of employer-sponsored health coverage that exceeds \$10,200 a year and \$27,500 for families).
5. Medical Deduction Threshold tax increase (threshold to deduct medical expenses as an itemized deduction increases to 10% from 7.5%).
6. [Individual Mandate](#) (a tax for not purchasing insurance, though the tax penalty is called a [Shared Responsibility Payment](#), the greater of 1% of your income above the filing threshold of \$10,150 for singles and \$20,300 for married couples filing jointly or \$95 per adult (\$47.50 per child), with a maximum of \$285 for a family, whichever is higher. It goes up in 2015.
7. Excise Tax on Charitable Hospitals which fail to comply with the requirements of ObamaCare.
8. Elimination of tax deduction for employer-provided retirement Rx drug coverage in coordination with Medicare Part D.
9. Medicare Part A Tax increase of 0.9% over \$200k/\$250k.
10. An annual \$63 fee levied by ObamaCare on all plans (decreased each year until 2017 when pre-existing conditions are eliminated) to help pay for insurance companies covering the costs of high-risk pools.
11. Medicine Cabinet Tax (over the counter medicines no longer qualify as medical expenses for flexible spending accounts (FSAs), health reimbursement arrangements (HRAs), health savings accounts (HSAs), and Archer Medical Saving accounts (MSAs).
12. Additional Tax on HSA/MSA Distributions
13. Health savings accounts or Archer medical savings accounts, penalties for non-qualified medical expenses of 10% to 20% in the case of a HSA and from 15% to 20% for an MSA.

Also check out this [full list of taxes provisions from the IRS](#), plus the [joint tax committee on the Affordable Care Act](#).

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