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### Of Obamacare's Many Taxes, What Hurts Most

At tax time, more of us are looking anew at the Affordable Care Act. Some of us are doing so as we hunch over our tax returns. Yet many of the panoply of taxes added by Obamacare are not open and obvious. They are more like those Lois Lerner emails, or Hillary Clinton's for that matter. In fact, there could be a new competition for what is [Obamacare's most unfair tax](#). As one [editorial](#) noted, some say it is the 2.3% excise tax on medical devices, increasing their cost, hurting the industry, and designed purely to collect revenue.

Another pure revenue raiser is the 3.8% net investment income tax. Depending on your income, it adds a 3.8% tax on top of your interest, dividends and capital gains. While this one may be politically safe since it purports to target only upper income people, it is hard to explain this to someone with a modest income who sells their lifelong property and ends up with an extra 3.8% tax on top of their capital gain tax. Such a person might be in that upper income category just once year.

There are many Obamacare taxes, so many, in fact, that can even be debated how many there are. In terms of tax filings this year, [Obamacare is creating a tax filing backlash](#). Yet most of the approximately 85% of Americans who have health insurance and who make less than \$250,000 a year 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 reading about the now-not-so-new-law triggers a need for an entertainment break, there's always President Obama's [Buzzfeed video](#). Or you can review three new tax forms: 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 ranking Obamacare's taxes, you must first list them. That is no mean feat, since some of it depends how you count and what you regard as a tax:

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. \$2,000 per employee \$3,000 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 .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. HSAs or Archer MSAs, penalties for non-qualified medical expenses of 10% to 20% in the case of an 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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