

TAXLETTER

An Attempt to itemize new taxes enacted or proposed during Obama Presidency

A. Related to or part of Healthcare Reform :

- 1) An increase of Medicare tax from 2.9% to 3.4% for annual income greater than \$200,000 per individual and \$250,000 for married filing jointly.
- 2) A “punitive” tax up to 2.5% of modified adjusted gross income for individuals chose not to pay for “acceptable” health insurance.
- 3) A cap on the tax exclusion of employer-provided health insurance benefits
- 4) A new excise tax on Medical devices such as wheelchairs, breast pumps, and syringes used by diabetics for insulin injections.
- 5) A limit on the tax exempt contribution to Health Savings Accounts (HAS).
- 6) A limit on the tax exempt contribution to Flexible Spending Arrangements (FSA).
- 7) A new excise tax on high-cost Health Insurance plan which cost more than \$8,500 for an individual or \$21,000 for a family.
- 8) Higher limit (10% of AGI) for medical expenses deductible as itemize deductions.
- 9) A windfall profit tax on insurance companies offering health insurance policies.
- 10) An additional 8% tax on all wages paid to employees that do not provide health insurance benefits to their employees.
- 11) Taxes (otherwise known as Fees) on insured and self-insured health plan.
- 12) A new tax on pharmaceutical companies.
- 13) Increase in taxes on hospitals and corporate taxes on providers of health insurance.

- 14) 5% new tax on cosmetic surgery and similar procedures, i.e. Botox treatment and face lifts, etc.
- 15) Elimination of deductions for expenses associated with Medicare Part D subsidies.
- 16) Limit deductible compensation to \$500,000 per Officers and Employees of Health Insurance companies.

B. Enacted or proposed as part of other Acts such, as FATCA, HIRE, etc.

- 1) Increased burden and stress upon tax paying ordinary citizens for the purposes of closing the mythical and hypothetical “Tax Gap”.
- 2) Increased burden and stress upon ordinary citizens owning financial assets overseas. Generally, these assets are either inheritance or gifts from non US parents.
- 3) For Estate and Gift, the maximum tax rate will be increased to 45%. However, the allowable exemption for estate will be reduced to \$3.5 million from the current \$5 million. Simultaneously, the separate exclusion for gift will return to its \$1 million level.
- 4) Increases in taxes on international businesses.
- 5) An increase in the payroll taxes on students.
- 6) Elimination of tax credits for bio-fuels created in production process of paper, sometimes known as “Black Liquor credit”.
- 7) A higher Federal tax on alcoholic beverages including beer and wine.
- 8) An excise tax on sugar-sweetened beverages including soda and sport drinks.

Sincerely,

Cho F Chan CPA, Inc.
An Accountancy Corporation