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Trio of ACA Taxes Delayed by Short-Term Spending Legislation

Along with ending the government shut-down, the short-term spending bill that was signed by the president on Monday provides six years of funding for the Children's Health Insurance Program and delays or suspends a trio of Affordable Care Act taxes. As an initial matter, the bill includes a one-year moratorium on the health insurance tax (HIT) in 2019. The HIT is a tax imposed on insurance companies based on their share of the United States health insurance market.

The short-term spending bill also includes an additional two-year delay of the Cadillac tax (now pushed back until 2022). The Cadillac tax imposes an excise tax on employer health plans that provide coverage in excess of certain thresholds. The Cadillac tax has already been delayed twice, and the applicable thresholds will be updated before the new January 1, 2022 effective date.

Finally, the medical device tax imposed on medical device manufacturers is suspended for an additional two years (2018 and 2019).

Please visit http://www.moreton.com/category/compliance-updates/ for more information and to view other client alerts. This Client Alert was written by Carolyn Cox, Moreton & Company's in-house corporate counsel who provides our clients with compliance services. For additional questions, please contact Carolyn at 801-715-7110 or ccox@moreton.com.