

<b>TAX TIME LINE IN THE HEALTH CARE REFORM ACT</b>		
<b>IRC Section</b>	<b>Provisions</b>	<b>Effective Date</b>
2010		
23; 137(a)(2)	Adoption credit and employer-provided adoption assistance increased to \$13,170 (from \$12,170), extended through 2011 and made refundable.	after 12-31-09 and before 1-1-2012
38(b)(36)	A maximum 35% credit (25% for non-profits) is allowed to small employers paying at least 50% of employees single-person health insurance costs. Credit phases out when average annual employee wage increases from \$25,000 to \$50,000 or average number of employees increases from 10 to 25.	after 12-31-2009
48D	50% credit provided to small business for investments in certain qualifying therapeutic discovery projects (for 2009 and 2010)	amounts paid or incurred for tax years after 12-31-2008
105(b); 162(l)(1)	Income exclusion for employer provided health insurance and for self-employed health insurance extended to children under age 27	after 3-30-10
5000B	10% excise tax on indoor tanning services	after 7-01-10
7701	Economic substance doctrine with substantial penalties	after 3-30-2010
2011		
106(f)	FSA, HSA, HRA and MSA qualified distributions include withdrawals for prescription drugs and insulin only, no over-the-counter drugs	after 12-31-10
125(j)	Establish simple cafeteria plans for small employers	after 12-31-10
220(f)(4)(A)	Penalty increased to 20% for non qualified HSA and FSA distributions after 2010	after 12-31-10
6051(a)(14)	Cost of employer sponsored health coverage to be shown on W-2. (IRS says optional for 2011, see: <a href="#">Notice 2010-69.</a> )	after 12-31-10
2012		
6041(a)	Information reporting required for payments of \$600 or more for property or services to all corporations except the tax exempt	after 12-31-11
2013		
56(b)(1)(B)	Medical expense deduction increases to 10% after 2012,	after 12-31-12

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(tax year); 213	after 2017 for people 65 or older	
125(i)(1)	FSA contributions limited to \$2,500	after 12-31-12
164(f); 1401(b)	.09% Medicare tax increase on SE income and employee wages when AGI exceeds \$200,000 (\$250,000 combined wages MFJ)	after 12-31-12
1411	New 3.8% Medicare tax assessed on net investment income of individuals, estate and trusts with AGI over \$200,000 single and \$250,000 MFJ	after 12-31-12
<b>2014</b>		
36B	Individuals between 100% and 400% of federal poverty level will qualify for refundable tax credit (“premium assistance credit”) to offset exchange-purchased health insurance premiums	after 12-31-2013
139D	Exclusion from income of free choice vouchers	after 12-31-13
162(a)	Deduction allowed to employer for free choice vouchers	after 12-31-13
4980H	Employers with at least 50 full time employees may be subject to penalty if not providing health insurance coverage to employees	after 12-31-13
6056	Reporting of large employer health insurance coverage	after 12-31-13
5000A(a)	“Shared responsibility penalty” assessed against taxpayers who do not have health coverage. Penalty is phased in over three years starting in 2014 at \$95 per individual (\$285 per family), in 2015 at \$325 per individual (\$975 per family) and in 2016 \$695 per individual (\$2,085 per family).	after 12-31-13
<b>2018</b>		
4908I(b)(3)(C)	40% excise tax assessed against “Cadillac” employer sponsored health plans where the premium exceeds \$10,200 for individual coverage and \$27,500 for family coverage.	after 12-31-2017