



## H.R. 3590: Halt Tax Increases on the Middle Class and Seniors Act (Rep. McSally, R-AZ)

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### FLOOR SCHEDULE:

H.R. 3590 is expected to be considered on September 13, 2016 under a [closed rule](#).

### TOPLINE SUMMARY:

[H.R. 3590](#) would reduce the expense threshold to allow individuals to claim a tax deduction for medical expenses, reversing a tax increase enacted as a part of Obamacare.

### COST:

The [Joint Committee on Taxation](#) (JCT) estimates that enacting H.R. 3590 would reduce revenues by \$32.697 billion over the FY 2016 – 2026 period.

The Congressional Budget Office (CBO) and JCT “estimate that enacting the bill would increase net direct spending or on-budget deficits by more than \$5 billion in at least one of the four 10-year periods beginning in 2027.”

### CONSERVATIVE CONCERNS:

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

### DETAILED SUMMARY AND ANALYSIS:

Under the Internal Revenue Code, individuals may claim an [itemized deduction for medical expenses](#), but only for the amount of the total medical expenses that exceeds a certain percentage of the individual's income.

Prior to 2013, the threshold for this deduction was 7.5 percent of income. Obamacare increased this threshold to 10 percent of income for individuals under the age of 65. For individuals age 65 and older, the threshold is set increase to 10 percent of income on January 1, 2017. This constitutes a tax increase, as it reduces the value of the deduction, which lowers an individual's tax burden.

H.R. 3590 would reinstate the 7.5 percent threshold for the itemized deduction of medical expenses for all taxpayers, reversing the Obamacare tax increase.

### **OUTSIDE GROUP SUPPORT:**

- [AARP](#)
- [Americans for Prosperity](#)
- [Americans for Tax Reform](#)
- [National Taxpayers Union](#)

### **COMMITTEE ACTION:**

H.R. 3590 was introduced on September 22, 2015, and referred to the Ways and Means Committee. The bill was marked up on [June 15, 2016](#), and reported by a 24 – 11 vote.

On April 14, 2016, the Ways and Means Committee held a hearing on the [Tax Treatment of Health Care](#).

### **ADMINISTRATION POSITION:**

No [Statement of Administration Policy](#) is available at this time.

### **CONSTITUTIONAL AUTHORITY:**

“Congress has the power to enact this legislation pursuant to the following: Article 1, Section 8, Clause 1  
This [*sic*] Congress shall have Power to lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States; but all Duties [*sic*], Imposts and Excises shall be uniform throughout the United States.”

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