

Amendment offered by Rep. Joe Crowley (D-NY) to H.R. 705

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- The amendment ensures that no family's tax liability will be increased. If the Chairman's proposal increases taxes for the middle class, then it cannot go into effect.
- The amendment demonstrates that H.R. 705 is a \$25 billion tax increase on American families earning less than 500 percent of the Federal poverty level. For a family of four, this is an income of up to \$110,000.
- Democrats and Republicans together addressed the true-up issue in a responsible, bipartisan way last year that prevented steep and arbitrary cliffs. Every Member of the Ways and Means Committee who was in Congress last year voted FOR this policy when it passed by a vote of 409-2 in December.
- The Republican bill abandons this responsible, bipartisan approach, reinstating these steep cliffs as a way to squeeze an additional \$25 billion in higher taxes from middle class families.
- The point of the premium tax credits is to encourage families to buy health insurance. Let's not forget that the premium credits are never actually given to the family; the Treasury will pay the insurance company directly. For families who played by the rules, the Republicans will charge them thousands of dollars in new taxes. This holds true even though the family never saw the premiums assistance money in cash – it went directly from Treasury to the insurance company.
- According to the Joint Committee on Taxation, the revised repayment cap schedule in H.R. 705 would result in 266,000 individuals losing coverage in 2016.
- H.R. 705 would reinstate a steep cliff for families whose income rises unexpectedly above 400 percent of Federal poverty level. For example, it would force a family of four earning just under \$88,000 a year, but that received a small year-end bonus of \$300, to pay to the IRS the entire value of their premium assistance for the year. This is a tax increase that could easily be upwards of \$5,000 and would be much higher for older taxpayers and those who live in high cost geographic areas.
- H.R. 705 would impose additional repayment burdens on families earning 200 to 250% of Federal poverty level (\$44,000 to \$55,000 for a family of 4) and 300 to 350% of Federal poverty level (\$66,000 to \$77,000).