



For Immediate Release
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TRUMP'S 2020 BUDGET GIVES HUGE TAX BREAK TO DRUG, HEALTHCARE COMPANIES

Budget Repeal and Court Attack on ACA Would Deny Coverage for Millions

WASHINGTON, D.C. – President Donald Trump's proposed \$4.7 trillion 2020 budget – and his administration's attack in court to repeal the Affordable Care Act (ACA) – would hand drug companies, health insurance firms and medical device manufacturers a \$235 billion tax cut while millions of Americans would lose health care coverage. The tax cut would be on top of the billions in tax cuts drug companies received as a result of the 2017 Tax Cuts and Jobs Act.

Trump's proposed budget would [repeal the ACA](#) (Obamacare), which provides health care coverage to 20 million working people. And Justice Department lawyers [filed notice Monday](#) saying the Administration wants the courts to strike down the entire ACA.

As part of the bargain to get the ACA passed in 2010, key healthcare industries agreed to pay taxes on their revenues to help finance expanded healthcare coverage since they benefited enormously from newly insured customers.

Three industries – health insurers, drug companies and medical device makers – would save a total of \$235 billion over the next 10 years if the ACA is repealed along with the three industries' taxes, based on ATF's analysis of [Joint Committee on Taxation](#) data from 2017. Health insurers would get a tax windfall of \$183 billion and drug companies \$27 billion. These industries were [among the leading beneficiaries of the 2017 Trump-GOP tax cuts](#).

If the ACA is repealed, [millions of people would lose coverage](#), and protections for [52 million](#) to [130 million](#) people with pre-existing conditions would be eliminated.

“This assault on the ACA threatens health care coverage for millions of Americans while further enriching drug companies and insurance companies with huge tax breaks,” said Frank Clemente, executive director of Americans for Tax Fairness. “It's another clear sign of the values and priorities of this administration – more tax cuts for the wealthy and big corporations paid for by working families.”

**TAX CUTS FOR WEALTHY & HEALTHCARE
CORPORATIONS FROM OBAMACARE REPEAL**

	TAX PROVISION ELIMINATED	10-YEAR TAX CUT 2020-2029 (\$ Billions)
Tax Cuts for Wealthy Households_ (Annual income over \$250,000 per married couple)	Net Investment Tax 3.8% on passive income (interest, dividends, capital gains, rent, royalties, stock & commodity trading)	\$212
	Additional Medicare Tax 0.9% on salaries above \$250,000 per married couple	\$160
TOTAL FOR HOUSEHOLDS		\$372
Tax Cuts for Health Care Corporations	Health Insurance	\$183
	Prescription Drugs	\$27
	Medical Devices	\$25
TOTAL FOR CORPORATIONS		\$235
GRAND TOTAL		\$606

Sources:

Joint Committee on Taxation and Americans for Tax Fairness
 Joint Committee on Taxation (JCT), "Estimated Revenue Effects of Budget Reconciliation
 Legislative Recommendations" (Mar. 7, 2017), p. 2. <https://www.jct.gov/publications.html?func=startdown&id=4988>

JCT, "Recommendations Relating to Repeal of Certain Consumer
 Taxes" (Mar. 7, 2017), p. 5. <https://www.jct.gov/publications.html?func=startdown&id=4982>

JCT, "Recommendation Relating to Repeal Of The Net Investment
 Income Tax" (Mar. 7, 2017), p. 5. <https://www.jct.gov/publications.html?func=startdown&id=4984>

JCT figures projected forward for 2027-2029 using an observed linear
 annual growth rate.

Internal Revenue Service (IRS), "Questions and Answers on the Net Investment Income Tax"
<https://www.irs.gov/uac/newsroom/net-investment-income-tax-faqs>

"Questions and Answers for the Additional Medicare Tax"

Contact:

Dennis Bailey

Director of Communications

Americans for Tax Fairness

202-733-3444