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(Original Signature of Member)

112TH CONGRESS
2D SESSION

H. R.

To amend the Internal Revenue Code of 1986 to repeal certain tax increases.

IN THE HOUSE OF REPRESENTATIVES

Mr. MULVANEY introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to repeal
certain tax increases.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Keeping Promises to Taxpayers Act of 2012”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title table of contents.
- Sec. 2. Repeal of employer health insurance mandate.
- Sec. 3. Repeal of excise tax on high cost employer-sponsored health coverage.
- Sec. 4. Repeal of over-the-counter drug limitation.
- Sec. 5. Repeal of increase in medical expense threshold.

- Sec. 6. Repeal of limitation on health flexible spending arrangements under cafeteria plans.
- Sec. 7. Repeal of annual fee on health insurance providers.
- Sec. 8. Repeal of annual fee on branded prescription pharmaceutical manufacturers and importers.
- Sec. 9. Repeal of excise tax on medical device manufacturers.
- Sec. 10. Repeal of tax on indoor tanning services.
- Sec. 11. Repeal of PCORTF and fees imposed on insured and self-insured health plans.
- Sec. 12. Repeal of increase in additional tax on non-qualified distributions from HSAs and Archer MSAs.
- Sec. 13. Repeal of tobacco product excise tax increase.

1 **SEC. 2. REPEAL OF EMPLOYER HEALTH INSURANCE MAN-**
2 **DATE.**

3 (a) IN GENERAL.—Chapter 43 of the Internal Rev-
4 enue Code of 1986 is amended by striking section 4980H.

5 (b) REPEAL OF RELATED REPORTING REQUIRE-
6 MENTS.—Subpart D of part III of subchapter A of chap-
7 ter 61 of such Code is amended by striking section 6056.

8 (c) CONFORMING AMENDMENTS.—

9 (1) Subparagraph (B) of section 6724(d)(1) of
10 such Code is amended by striking clause (xxv), by
11 inserting “or” at the end of clause (xxiii), by strik-
12 ing “or” and inserting “and” at the end of clause
13 (xxiv).

14 (2) Paragraph (2) of section 6724(d) of such
15 Code is amended by striking subparagraph (HH), by
16 inserting “or” at the end of subparagraph (FF), and
17 by striking “or” at the end of subparagraph (GG)
18 and inserting a period.

1 (3) The table of sections for chapter 43 of such
2 Code is amended by striking the item relating to sec-
3 tion 4980H.

4 (4) The table of sections for subpart D of part
5 III of subchapter A of chapter 61 of such Code is
6 amended by striking the item relating to section
7 6056.

8 (5) Section 1513 of the Patient Protection and
9 Affordable Care Act is amended by striking sub-
10 section (c).

11 (d) EFFECTIVE DATES.—

12 (1) IN GENERAL.—Except as otherwise pro-
13 vided in this subsection, the amendments made by
14 this section shall apply to months and other periods
15 beginning after December 31, 2013.

16 (2) REPEAL OF STUDY AND REPORT.—The
17 amendment made by subsection (c)(5) shall take ef-
18 fect on the date of the enactment of this Act.

19 **SEC. 3. REPEAL OF EXCISE TAX ON HIGH COST EMPLOYER-**
20 **SPONSORED HEALTH COVERAGE.**

21 (a) IN GENERAL.—Chapter 43 of the Internal Rev-
22 enue Code of 1986 is amended by striking section 4980I.

23 (b) CLERICAL AMENDMENT.—The table of sections
24 for chapter 43 of such Code is amended by striking the
25 item relating to section 4980I.

1 **SEC. 4. REPEAL OF OVER-THE-COUNTER DRUG LIMITA-**
2 **TION.**

3 (a) HSAS.—Subparagraph (A) of section 223(d)(2)
4 of the Internal Revenue Code of 1986 is amended by strik-
5 ing the last sentence.

6 (b) ARCHER MSAS.—Subparagraph (A) of section
7 220(d)(2) of such Code is amended by striking the last
8 sentence.

9 (c) HEALTH FLEXIBLE SPENDING ARRANGEMENTS
10 AND HEALTH REIMBURSEMENT ARRANGEMENTS.—Sec-
11 tion 105 of such Code is amended by striking subsection
12 (f).

13 (d) EFFECTIVE DATES.—

14 (1) DISTRIBUTIONS.—The amendments made
15 by subsections (a) and (b) shall apply to amounts
16 paid with respect to taxable years beginning after
17 the date of the enactment of this Act.

18 (2) REIMBURSEMENTS.—The amendment made
19 by subsection (c) shall apply to expenses incurred
20 with respect to taxable years beginning after the
21 date of the enactment of this Act.

22 **SEC. 5. REPEAL OF INCREASE IN MEDICAL EXPENSE**
23 **THRESHOLD.**

24 Section 9013 of the Patient Protection and Afford-
25 able Care Act, and the amendments made thereby, are
26 hereby repealed; and the Internal Revenue Code of 1986

1 shall be applied and administered as if such section and
2 amendments had never been enacted.

3 **SEC. 6. REPEAL OF LIMITATION ON HEALTH FLEXIBLE**
4 **SPENDING ARRANGEMENTS UNDER CAFE-**
5 **TERIA PLANS.**

6 Section 125 of the Internal Revenue Code of 1986
7 is amended by striking subsection (i) and by redesignating
8 subsections (j) and (k) as subsections (i) and (j), respec-
9 tively.

10 **SEC. 7. REPEAL OF ANNUAL FEE ON HEALTH INSURANCE**
11 **PROVIDERS.**

12 Section 9010 of the Patient Protection and Afford-
13 able Care Act is hereby repealed.

14 **SEC. 8. REPEAL OF ANNUAL FEE ON BRANDED PRESCRIP-**
15 **TION PHARMACEUTICAL MANUFACTURERS**
16 **AND IMPORTERS.**

17 Effective for calendar years beginning after 2011,
18 section 9008 of the Patient Protection and Affordable
19 Care is repealed.

20 **SEC. 9. REPEAL OF EXCISE TAX ON MEDICAL DEVICE MAN-**
21 **UFACTURERS.**

22 (a) IN GENERAL.—Subchapter E of chapter 32 of the
23 Internal Revenue Code of 1986 is hereby repealed.

24 (b) CONFORMING AMENDMENTS.—

1 (1) Subsection (a) of section 4221 of such Code
2 is amended by striking the last sentence.

3 (2) Paragraph (2) of section 6416(b) of such
4 Code is amended by striking the last sentence.

5 (3) The table of subchapters for chapter 32 of
6 such Code is amended by striking the item relating
7 to subchapter E.

8 **SEC. 10. REPEAL OF TAX ON INDOOR TANNING SERVICES.**

9 (a) IN GENERAL.—Chapter 49 of the Internal Rev-
10 enue Code of 1986 is hereby repealed.

11 (b) CLERICAL AMENDMENT.—The table of chapters
12 for subtitle D of such Code is amended by striking the
13 item relating to chapter 49.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to services performed after the
16 date of the enactment of this Act.

17 **SEC. 11. REPEAL OF PCORTF AND FEES IMPOSED ON IN-**
18 **SURED AND SELF-INSURED HEALTH PLANS.**

19 (a) TRUST FUND.—Section 9511 of the Internal Rev-
20 enue Code of 1986 is hereby repealed.

21 (b) INSURED AND SELF-INSURED HEALTH PLANS
22 FEE.—Subchapter B of chapter 34 of such Code is hereby
23 repealed.

24 (c) CLERICAL AMENDMENTS.—

1 (1) The table of sections for subchapter A of
2 chapter 98 of such Code is amended by striking the
3 item relating to section 9511.

4 (2) The table of subchapters for chapter 34 of
5 such Code is amended by striking the item relating
6 to subchapter B.

7 **SEC. 12. REPEAL OF INCREASE IN ADDITIONAL TAX ON**
8 **NON-QUALIFIED DISTRIBUTIONS FROM HSAS**
9 **AND ARCHER MSAS.**

10 (a) HSAs.—Subparagraph (A) of section 223(f)(4)
11 of the Internal Revenue Code of 1986 is amended by strik-
12 ing “20 percent” and inserting “10 percent”.

13 (b) ARCHER MSAS.—Subparagraph (A) of section
14 220(f)(4) of such Code is amended by striking “20 per-
15 cent” and inserting “10 percent”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to distributions made after the
18 date of the enactment of this Act.

19 **SEC. 13. REPEAL OF TOBACCO PRODUCT EXCISE TAX IN-**
20 **CREASE.**

21 (a) IN GENERAL.—Each provision of the Internal
22 Revenue Code of 1986 amended by section 701 of the
23 Children’s Health Insurance Program Reauthorization
24 Act of 2009 is amended as such provision would read if
25 such section had never been enacted.

1 (b) FLOOR STOCKS REFUND.—

2 (1) IN GENERAL.—On tobacco products and
3 cigarette papers and tubes manufactured in or im-
4 ported into the United States which are removed on
5 or before the date of the enactment of this Act, and
6 held on such date for sale by any person, there shall
7 be credited or refunded (without interest) to the per-
8 son who paid such tax (hereafter in this subsection
9 referred to as the “taxpayer”) an amount equal to
10 the excess of the tax paid by the taxpayer on the ar-
11 ticle over the amount of such tax which would be im-
12 posed on such article had the article been removed
13 on the day after the date of the enactment of this
14 Act.

15 (2) TIME FOR FILING CLAIMS.—No credit or re-
16 fund shall be allowed or made under this subsection
17 unless claim therefor is filed with the Secretary of
18 the Treasury before the date which is 6 months
19 after the date of the enactment of this Act.

20 (3) DEFINITIONS.—Any term used in this sub-
21 section which is also used in section 5702 of the In-
22 ternal Revenue Code of 1986 shall have the same
23 meaning as such term has in such section.

1 (4) CONTROLLED GROUPS.—Rules similar to
2 the rules of section 5061(e)(3) of such Code shall
3 apply for purposes of this subsection.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to articles removed (as defined in
6 section 5702(j) of the Internal Revenue Code of 1986)
7 after the date of the enactment of this Act.