

AFFORDABLE HEALTH CARE FOR AMERICA ACT

HEALTH CARE SURCHARGE WOULD NOT AFFECT 98.8% OF SMALL BUSINESS OWNERS

Some have asserted that the revised health care surcharge would burden sole proprietors and businesses that are operated through partnerships and S corporations. **This is simply not true.**

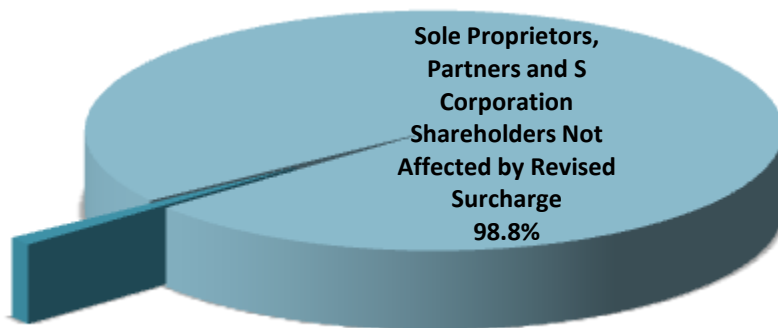
- The nonpartisan Joint Committee on Taxation (JCT) has found that only **1.2%** of sole proprietors, partners and S corporation shareholders operating a business would be affected by the health care surcharge.

Those numbers include all taxpayers with as little as \$1 of business income.

The revised health care surcharge would only be assessed on net profits of the small business – employee salaries, research and development expenses, depreciation and section 179 capital equipment expenses reduce the adjusted gross income of small business owners.

1.2% OF SMALL BUSINESS OWNERS AFFECTED BY HEALTH CARE SURCHARGE

Sole Proprietors,
Partners and
S Corporation
Shareholders Affected
by Revised Surcharge
1.2%



Data Source: Joint Committee on Taxation.

These wealthy business owners are not what you would consider to be small business owners – they include hedge fund managers, private equity fund managers, owners of privately held multinational companies, lawyers and lobbyists making millions of dollars a year.

- If you dig into these numbers, you find that half of these “business owners” derive more than two thirds of their income from non-business sources. *Source: JCT.*
- The average annual income of the 1.2% of business owners that would be affected by the revised health care surcharge is nearly \$3 million. *Source: JCT.*