



CONSEQUENCES OF THE 10% TAN TAX

In 2009, a 10% Tan Tax was passed as part of the Affordable Care Act (ACA). The consequences of this excise tax have been the closure of more than 9,600 businesses and the elimination of 81,000 jobs, while the tax failed to generate even one-third of the projected revenues with a cost of more than \$11 million annually to administer.

In 2009, there were 18,245 professional U.S. suntanning businesses employing approximately 165,000 Americans. However, as a direct result of the 10% Tan Tax, there are now fewer than 8,600 businesses remaining. Half of this industry has been eliminated due to this devastating tax.

- 70% are female-owned businesses, compared to the national average of 26%.
- The Tan Tax has killed U.S. suntanning equipment manufacturing, shifting production jobs almost exclusively to European suppliers.

CBO projected the Tan Tax to generate \$270 million per year. However, the IRS reports from 2010 through 2014 that the Tan Tax raised only an average of \$84 million per year (\$376.6 million to date) or just 31% what CBO estimated. OMB has now lowered forecasts, too.

- The IRS allocates more than \$11 million annually to collect and administer the tax, thereby reducing the net revenue to approximately \$72.5 million per year.
- By closing nearly 10,000 businesses to date and putting 81,000+ Americans out of work, what has The Tan Tax actually cost The U.S. Treasury in lost income taxes, lost payroll taxes, unemployment insurance and SBA loan defaults?

	Year 2009	Year 2015	TOTAL LOSSES
US Tanning Businesses	18,245	8,587	9,658 businesses closed
US Tanning Jobs	164,218	83,291	80,927 jobs lost

This industry continues to suffer at an accelerated rate of 15,000 jobs lost and 2,000 businesses shuttered per year. In considering the 81,000 lost jobs, 9,658 closed businesses, and the costs to the U.S. Treasury, is this failed tax worth the cost to the U.S. economy and your constituents?

A bipartisan bill, H.R. 2698, has been introduced to repeal the Tan Tax. It is not too late to help the small businesses still struggling under this onerous tax. Please co-sponsor today.

SUPPORT HR 2698 – REPEAL OF THE JOB-KILLING 10% TAN TAX