



## CONSEQUENCES OF THE 10% ‘TAN TAX’

In 2009, a 10% “Tan Tax” on UV tanning services in tanning salons was included as part of the Affordable Care Act (ACA). As a result of the excise tax, more than 9,600 businesses have closed and nearly 95,000 jobs have been lost. Meanwhile, the tax has failed to generate even one-third of the projected revenues and costs more than \$11 million annually to administer. Equally vexing, the 10% Tan Tax does not apply to health clubs, yet such gyms operate more tanning beds today than traditional indoor tanning salons.

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. More than 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.

In 2009, CBO projected the Tan Tax would generate \$270 million per year. However, OMB and IRS data from 2010 through 2016 reveal that the Tan Tax thus far has raised only an average of \$85 million per year (\$555 million to date) – or just 31% of what CBO estimated. Actual receipts have also fallen below OMB projections each and every year with receipts going down every year.

- The IRS allocates more than \$11 million annually to collect and administer the tax, thereby reducing the net revenue to approximately \$74 million per year.
- Additionally, by closing nearly 10,000 businesses and putting 95,000 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 2017	TOTAL LOSSES
<b>US Tanning Businesses</b>	18,245	8,587	<b>9,658 businesses closed</b>
<b>US Tanning Jobs</b>	164,218	69,564	<b>94,654 jobs lost</b>

This industry continues to suffer at an accelerated rate of 15,000 jobs lost and 1,600 businesses shuttered per year. In considering the 94,654 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. 1150 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 H.R. 1150 – REPEAL OF THE JOB-KILLING 10% TAN TAX**