



The 10% Tan Tax: A Job Killer That Didn't Work

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 last-minute replacement for a 5% cosmetic surgery tax. To date, the "Tan Tax" has been a total failure in every way possible.

1. The "Tan Tax" Closed Businesses and Killed Jobs.

- 9,600 businesses have closed since 2010 in virtually every community in America because of the tax.
- 95,000 jobs have been lost since 2010 because of the tax.
- 70% of these closures and losses were female-owned small 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.

2. The "Tan Tax" Failed as a Revenue Producer for the ACA

- In 2009 CBO projected the Tan Tax would generate \$270 million per year. OMB and IRS data from 2010-16 reveal that the Tan Tax has raised only \$85 million per year (\$555 million to date) – or just 31% of what CBO estimated.
- The IRS allocates more than \$11 million annually to collect and administer the tax, thereby reducing the net revenue to only approximately \$74 million per year.
- By closing 9,600 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?

3. The Tan Tax Shifted Consumers To Non-Salon Tanning – Increasing Risk

- The Tan Tax has pushed 41% of sunbed users into unsupervised non-salon sunbeds in gyms, apartment complexes and homes — none of which are subject to the tax. Gyms were specifically exempted from the tax.
- The "Tan Tax" backfired scientifically. Research into the potential risks of sunbed usage – when separated by the *location* of the sunbed – shows that non-salon sunbeds are responsible for increased risk, but that U.S. tanning salon sunbeds were not related to significant increase in risk. The tax drove consumers to riskier unattended sunbeds.

4. Professional Tanning Salons Have Helped Save Billions in Health Care Costs.

- An estimated 1.5 million psoriasis sufferers visit tanning salons at a cost of \$250/year/person, while some dermatology estimates show alternative clinical costs to be upwards of \$30,000/year/person.
- A 2015 survey showed that 88% of dermatologists recommend the usage of UV lamps as an effective form of skin treatment and 30% referred their patients to tanning salons as a cost-effective and convenient self-treatment option.

	Year 2009	Year 2017	TOTAL LOSSES
US Tanning Businesses	18,245	8,587	9,658 businesses closed
US Tanning Jobs	164,218	69,564	94,654 jobs lost
Pennsylvania Tanning Businesses	966	448	518 businesses closed
Pennsylvania Tanning Jobs	8,694	3,629	5,065 jobs lost

The indoor suntanning market 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, the costs to the U.S. Treasury, and the resulting consumer shift to un-attended non-salon tanning, 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 HR 1150 – REPEAL OF THE JOB-KILLING 10% TAN TAX