



The 10% Tan Tax: Killing Women’s Jobs and Small Businesses

In 2010, the federal government determined that only tanning salons, primarily female-owned, must pay a 10% tax on UV tanning services. To date, more than 11,000 primarily female owned businesses have closed. More than 105,000 women have lost their jobs. Further, tanning consumers shifted to unprofessional tanning environments increasing their risk of sunburn and skin damage, while thousands of non-professional tanning outlets go untaxed.

1. The “Tan Tax” Closed Businesses and Killed Jobs.

- 11,300 primarily female-owned businesses have closed since 2010 in virtually every community in America because of the tax.
- More than 105,000 women have lost their jobs 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 in many states including Arkansas, California, Indiana and Missouri, shifting production jobs almost exclusively to European suppliers.

2. The “Tan Tax” shifted consumers to non-salon tanning putting consumers at higher risk of sunburn.

- 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 risks, but that sunbeds used in professional tanning salons were not related to significant increase in risk. The tax drove consumers to riskier, untaxed unattended sunbeds.
- The Tan Tax has pushed 41% of sunbed users into unsupervised non-salon sunbeds in gyms, apartment complexes and homes¹ — none of which are subject to the tax. Gyms were specifically exempted from the tax.

3. 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.

4. 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 2010-19 reveal that the Tan Tax has raised only \$79 million per year (\$786 million to date) – or just 26% 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 \$68 million per year.
- In 2018, The Joint Tax Committee projected the tan tax repeal would cost the treasury \$381M over the next 10 years.
- By closing more than 11,000 salons and putting more than 105,000 women 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? More than it raised?

	Year 2009	Year 2019	TOTAL LOSSES
US Tanning Businesses (70% women)	18,245	6,879	11,366 businesses closed
US Tanning Jobs (98% women)	164,218	53,387	110,831 jobs lost

The female-dominated tanning market continues to suffer at a rate of 500 businesses shuttered and thousands of women’s jobs lost per year. In considering the 110,831 lost jobs, 11,366 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?

SUPPORT THE REPEAL OF THE 10% TAN TAX - - H.R. 5512 & S. 2713

¹ Hillhouse J. Prevalence and Correlates of Indoor Tanning in Non-salon Locations. JAMA-Derm. 2015 Vol. 151. No. 10