

H.R. 7: A Dangerous and Misleading Bill that Threatens Women's Health

H.R. 3 is a dangerous and misleading bill that imposes a devastating tax increase on some families and small businesses that want comprehensive insurance plans that include coverage of abortion. Though the bill's supporters argue that it "merely codifies" federal law—which itself is already highly restrictive—such claims are false. H.R. 3 will increase specific taxes and costs in order to prevent women from obtaining abortion care and will eliminate abortion coverage for millions of women.

H.R. 7 Twists the Tax Code to Force Individuals and Small Businesses to Drop Comprehensive Health Insurance

H.R. 7 would deny women the premium assistance tax credit merely for choosing comprehensive health insurance that includes abortion coverage. In addition, it would deny small businesses the Small Business Tax Credit for providing health insurance to employees that includes abortion coverage. These two provisions create incentives for insurers to exclude coverage of abortion in order to accept customers who receive the tax credits.ⁱ It also pushes individuals and small businesses to switch to plans that do not cover abortion. Thus, H.R. 7 aims to change the health insurance industry standard where – absent political interference – insurance plans included abortion coverage.

H.R. 7 Would Impose Other Tax Increases on Women Who Need Abortion Care

H.R. 7 would also impose tax increases on women who use their tax preferred savings accounts, which include Flexible Spending Arrangements under cafeteria plans, health savings accounts and Archer Medical Savings Account, to pay for abortion care. Under current law, individuals or employers can contribute to these accounts, which are exempt from taxation so that such funds will be available for medical needs.ⁱⁱ Under H.R. 7, the amount paid, or any reimbursement for, an abortion would lose this tax benefit.

H.R. 7 would also raise taxes on a woman who spends a large percentage of her income on health needs if part of her health care includes abortion. Currently, medical expenses that exceed 7.5% of a taxpayer's gross income are deductible.ⁱⁱⁱ Under H.R. 7, a woman with serious medical complications who requires an abortion that costs tens of thousands of dollars would not be able to deduct the cost of her abortion. She would have to pay higher income taxes than a person with a similarly serious and expensive medical problem because her treatment required that her pregnancy be terminated.

H.R. 7 Punishes Women Who Face Serious Health Consequences

H.R. 7 punishes women who have an abortion to prevent severe, permanent damage to her health. Eliminating insurance coverage for these often expensive procedures makes a difficult situation even worse.^{iv} Families without coverage for abortion could be pushed into bankruptcy

if they try to pay for the procedure out of pocket. Alternatively, financial constraints could force women to remain pregnant at great risk to themselves.

H.R. 7 Could Force Rape Victims to Prove Rape to IRS Agents

H.R. 7 provides an exception to the restrictions in cases of rape. This exception allows women who were raped to include the costs of the abortion if they claim the deduction for high medical expenses, or to pay for the abortion with funds from a tax-preferred account. In practice, for this exception to be enforced, a woman could be audited and have to demonstrate to the IRS that she was raped and had an abortion. During a hearing on this legislation in the 112th Congress, the Joint Committee on Taxation testified that the burden of proof would be on the taxpayer.^v

H.R. 7 Would Make Permanent Dangerous Restrictions on Abortion Coverage

Currently, federal restrictions on abortion coverage require renewal every year as they are imposed through the appropriations process. H.R. 7 makes these restrictions permanent law. Thus, women covered under Medicaid, women serving in the U.S. military, federal employees, residents of the District of Columbia, women in federal prisons, and women covered by the Indian Health Service would permanently be denied health insurance that includes abortion coverage except for very narrow circumstances. These harmful restrictions endanger women's health and place particular burdens on low-income women.

H.R. 7 Denies the District of Columbia from Using Local Funds to Pay for Abortions

H.R. 7 permanently prohibits the District of Columbia from using locally raised funds to offer abortion care for women who otherwise could not afford it. If H.R. 7 were to become law, anti-choice members of Congress would strip the District of Columbia of the power that all 50 states currently have: the power to make decisions about how to spend locally-raised revenue.

ⁱ See *No Taxpayer Funding for Abortion Act: Hearing Before the Subcomm. on the Constitution of the H. Comm. on the Judiciary*, 112th Cong. (2011) (testimony of Sara Rosenbaum, Chair, Dept. of Health Pol'y, George Washington Univ. Sch. Pub. Health and Health Servs.).

ⁱⁱ I.R.C. § 106 (2011).

ⁱⁱⁱ I.R.C. § 213 (2011).

^{iv} For example, D.J. Feldman learned when she was 11 weeks pregnant that her fetus had anencephaly, meaning it had almost no brain, a condition which is always fatal. Because she was a federal employee, her health plan was prohibited from covering her pregnancy termination, which cost \$9,000. Joe Davidson, *A Woman Who Had Little Choice Enlightens Health-Care Debate*, Wash. Post, Dec. 1, 2009, available at <http://www.washingtonpost.com/wp-dyn/content/article/2009/11/30/AR2009113004065.html>.

^v See *No Taxpayer Funding for Abortion Act: Hearing Before the Subcomm. on Select Revenue Measures of the Comm. on Ways and Means*, 112th Cong. (2011) (testimony of Tom Barthold, Chief of Staff of the Joint Committee on Taxation.).