

GOP trying to use tax law to limit abortions

March 31 2011, By STEPHEN OHLEMACHER , Associated Press

(AP) -- House Republicans want to limit tax breaks for insurance policies that cover abortions as lawmakers try to chip away at President Barack Obama's health overhaul.

The House Ways and Means Committee scheduled a vote Thursday on legislation that would prevent people from deducting the cost of an abortion from their taxable income. The bill also would prevent small businesses and taxpayers from using tax credits in the new health care law to provide or pay for insurance policies that cover the procedure.

If women pay for an abortion using tax-free income set aside in a health savings account, the money would have to be reported as taxable income. There would be exceptions for cases of rape or incest, or if a physician certified that a woman's life would be in danger if she didn't end the pregnancy.

Current law bars federal money for abortion, with the same exceptions as those in the bill. The health overhaul creates state marketplaces for insurance and allows participating plans to cover abortions, as long as they collect a separate premium from policyholders and that money is kept apart from federal subsidies.

The abortion language in the new law resulted from a compromise among then-majority Democrats that didn't leave everyone happy. Republicans were united in opposing the overhaul. Now, with their efforts to repeal it stalled in the Democratic-controlled Senate, Republicans now running the House are attacking it piece by piece.

House GOP leaders support the effort to limit tax breaks that help pay for abortions, but the bill faces strong opposition in the Senate.

Supporters say the bill is necessary because current law doesn't go far enough in ensuring that no tax money is used to subsidize abortions. According to congressional estimates, the bill would raise only a negligible amount of tax revenue.

"We're just trying to have a very clear line of demarcation on where our taxpayer funds may be used for abortion," said Rep. Dave Camp, R-Mich., the Ways and Means Committee chairman. "It's really using the tax code and taxpayer dollars to assist with the procurement of abortion, and we're going to make sure that doesn't happen."

Opponents say the bill would make it difficult, if not impossible, for many women to obtain medical insurance that covers abortions - even if they pay for it themselves.

"This is overkill plus, and the purpose of it escapes me," said Rep. Shelley Berkley, D-Nev., a committee member. "We're debating an issue that is so inconsequential to the lives of most Americans." She said she was "annoyed" that the committee was spending time on an issue "that's obviously very ideological and has nothing to do with the health care bill, and nothing really to do with taxes or getting people back to work."

By law, people can deduct medical expenses that exceed 7.5 percent of their adjusted gross income, a threshold that increases to 10 percent in 2013. They can set aside tax-free money in health savings accounts and spend it on approved medical expenses. The Internal Revenue Service lists the cost of an abortion as an approved medical expense.

Donna Crane, policy director for NARAL Pro-Choice America, said she is concerned the bill would cause insurers in the state marketplaces to

drop abortion coverage, making it unavailable even for women who pay their own premiums. She also worries that the measure would put the IRS in the awkward position of determining whether women who get abortions were sexually assaulted, so it can decide whether the procedure is tax-deductible.

"It would be an alarming new responsibility for the IRS," Crane said.

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