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Legislative update: Process to dismantle Affordable Care Act begins

The U.S. Senate, in pre-dawn hours today, adopted a budget resolution that starts the process to repeal certain core provisions of the Affordable Care Act (also popularly known as "Obamacare"). The measure passed by a 51-48 vote along partisan lines—the only Republican opposing the resolution was Sen. Rand Paul (KY).

A House of Representatives vote on the resolution is expected tomorrow.

President-elect Trump has called for Congress to "very quickly" present legislation that replaces Obamacare, but the actual timing and substance of such legislation are uncertain at this time.

Effects of budget resolution

Because a budget resolution does not require the president's signature, the resolution itself may not be used to repeal or change any law. What the budget resolution does provide is reconciliation instructions directing the congressional committees responsible for healthcare—in the Senate, the Finance Committee and the Health, Education, Labor and Pensions Committee, and in the House, the Energy and Commerce Committee and the Ways and Means Committee—to develop deficit-reducing legislation.

The budget resolution sets the stage for a budget reconciliation bill that is expected to be the vehicle to repeal certain taxing and spending (but no other) provisions of the Affordable Care Act.

Read a November 2016 report [PDF 72 KB] from KPMG that discusses the potential impact that a budget reconciliation bill may have on the Affordable Care Act: *What Does the Future Hold for the Tax Provisions of the Affordable Care Act?*

For more information, contact a tax professional with KPMG’s Washington National Tax practice:

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