



TaxNewsFlash

United States

No. 2017-018
January 12, 2017

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:

Monica Coakley | +1 (615) 248-5639 | mcoakley@kpmg.com

Lori Robbins | +1 (202) 533-5616 | lorirobbins@kpmg.com

The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to be applied to any specific reader's particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)