



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

April 5, 2011

H.R. 1232
**A bill to amend the Internal Revenue Code of 1986 to eliminate
certain tax benefits relating to abortion**

*As ordered reported by the House Committee on Ways and Means
on March 31, 2011, incorporating a manager's amendment*

H.R. 1232 would amend the Internal Revenue Code to remove certain tax benefits relating to abortion, except in cases of rape, incest, or when the life of the pregnant woman is in danger. The bill would not allow the costs of abortion services, other than under the excepted circumstances mentioned above, to count as a deductible medical expense in determining income tax liability. The bill would change the definition of a “qualified health plan” to exclude plans that offer coverage of abortion services, other than under the excepted circumstances. In addition, health insurance tax credits for small employers would not be available for health insurance plans that include such coverage. The bill also would require any reimbursements from health flexible spending arrangements and distributions by Archer medical savings accounts and health savings accounts for abortion services to be included as gross income.

Enacting H.R. 1232 could affect direct spending or revenues; therefore, pay-as-you-go procedures apply. According to the staff of the Joint Committee on Taxation (JCT), the bill would have negligible effects on tax revenues. Similarly, CBO estimates that any effects on direct spending would be negligible for each year and over the 2011-2021 period.

JCT has determined that H.R. 1232 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.