

Insight

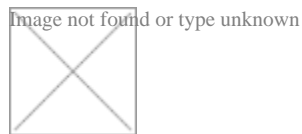


White House Holding 45 Million Hours of ACA Paperwork Including the Individual Mandate

SAM BATKINS | FEBRUARY 10, 2014

Currently, the Office of Information and Regulatory Affairs (OIRA) within the White House is reviewing an avalanche of new Affordable Care Act rules (ACA), including the infamous Individual Mandate Tax. In total, these 28 paperwork burdens total more than 45.7 million burden hours. For perspective, it would take more than 22,800 employees working full-time to complete the new paperwork (assuming 2,000 employee hours annually). Using an [average wage rate](#), these regulations will cost \$1.4 billion annually.

The figure below from OIRA's website displays the outsized influence Health and Human Services (HHS) has on pending paperwork burdens.



Although, the Treasury Department imposes roughly twelve times the amount of paperwork of HHS, current reviews at OIRA contain twice as many health care requirements. With more than [4,100](#) federal health care forms and growing, it's clear the ACA is placing incredible [strains](#) on the regulatory system.

NOTABLE RULES

The most infamous ACA provision, the individual mandate tax, has been stuck at OIRA [since August 23](#); it would impose more than 7.5 million paperwork burden hours on American taxpayers. Curiously, the administration finalized the rulemaking on [August 30, 2013](#), but the White House still hasn't approved the collection. Under current law, no individual is required to comply with federal paperwork, "unless the collection of information displays a valid control number assigned by [OIRA]." Without approval, taxpayers are not required to comply with the individual mandate forms. However, don't ignore the individual mandate tax completely. The IRS [considers](#) this defense to tax liability "fictional."

Even more peculiar, a note on the paperwork requirement [reads](#), "Need approval by 8/26/2013." It's clear OIRA missed that deadline, and with tax season approaching, IRS needs authorization before it can legally implement these forms.

The largest burden at OIRA would implement the Net Investment Income Tax, which would add 3.8 percent to certain investment income under the ACA. This new tax is scheduled to generate more than [\\$123 billion](#), but IRS also estimates the tax preparation alone will impose more than 24 million hours of paperwork.

In the final rule published last December, IRS [claimed](#), “The collection of information contained in these regulations has been reviewed and approved by [OIRA] in accordance with the Paperwork Reduction Act (PRA).” However, according to White House [records](#), it has not approved the Net Investment Tax, even though the rule was [effective](#) upon publication. According to [IRS](#), the tax “went into effect on Jan. 1, 2013.”

OIRA is also currently reviewing health care exchange regulations. One requirement, for “Premium Stabilization Programs, and Market Standards” would add more than [380,000](#) paperwork burden hours. In addition, there is a paperwork burden under review for consumers willing to report their “Enrollee Satisfaction” in the health care exchanges. The survey would add more than [100,000](#) burden hours.

CONCLUSION

The possibility of adding more than 45 million burden hours on the public is certainly a daunting reality. In the context of overall growth at HHS, every new burden adds to an incredibly high figure: [132 million hours](#). That’s how much the Affordable Care Act has already added to the nation’s regulatory burden. Once OIRA releases these pending regulations, compliance costs and reporting times will soar even higher.