

Cadillac Tax Delayed and Made Deductible

December 29, 2015

The President recently signed into law H.R. 2029, the Consolidated Appropriations Act, 2016 (the “**Act**”). Among the numerous changes made by the Act were significant modifications to the Cadillac Plan Tax, which is a 40 percent excise tax on any excess benefit provided under a high cost employer sponsored health plan. First, the implementation of this tax has been delayed by two years so that it will not become effective until tax years beginning after December 31, 2019. Second, the tax payment will now be permitted as a deductible business expense. The Act is available [here](#).