PCOR Fees are Deductible Business Expenses under Code Section 162

June 21, 2013

On June 7, 2013, the Office of Chief Counsel of the Internal Revenue Service released a memorandum, dated May 31, 2013, concluding that fees paid by certain insurers and employer sponsors of applicable self-funded health plans to fund the Patient-Centered Outcomes Research Trust Fund (?ÃÂ£**PCOR Fees**?ÃÂ¥) under the Patient Protection and Affordable Care Act (?ÃÂ£**PPACA**?ÃÂ¥) are ordinary and necessary business expenses that are deductible under Section 162 of the Internal Revenue Code of 1986.?Ã¡ PPACA provides for the establishment of the Patient-Centered Outcomes Research Institute (?ÃÂ£**PCORI**?ÃÂ¥), a private, non-profit corporation intended to assist the public in making informed health decisions.?Ã¡ PPACA provides that PCORI is to be financed, in part, by PCOR Fees, which are paid annually for each policy or plan year ending after September 30, 2012 and before October 1, 2019. A copy of the memorandum can be found **here**.