

AMERICAN SUNTANNING ASSOCIATION (ASA) APPLAUDS CONGRESSIONAL REPEAL OF "TAN TAX"

10% tax has devastated an industry dominated by women, resulting in the closure of nearly 10,000 small businesses and loss of 100,000 jobs since 2010

WASHINGTON, DC (January 7, 2016) – The American Suntanning Association (ASA) today endorsed action taken by Congress to repeal the 10% federal excise tax on indoor tanning. The repeal was included in the Restoring Americans' Healthcare Freedom Reconciliation Act of 2015, which passed in both the House and Senate and now goes to the President for action.

"We applaud Congress for taking action to repeal this onerous and unfair tax, which has crippled an industry and hurt small business owners across the country," said ASA President Bart Bonn. "We urge President Obama to sign the bill into law."

Since the tan tax went into effect in 2010, approximately 10,000 small business-owned salons – more than half of all tanning salons in the U.S. – have closed, resulting in the elimination of nearly 100,000 jobs in communities across the country, in an industry heavily dominated by women owners and employees.

"The tan tax is an example of a misguided policy, implemented with little forethought, which turned out to be the real 'war on women' over the past five years," noted Bonn.

In addition, the tax has generated less than 1/3 of the revenue projected by the Congressional Budget Office, or an average of only \$84 million per year. With the IRS allocating \$11 million annually to collect and administer the tax, coupled with Small Business Administration loan defaults and the loss of income and payroll taxes from closed salons, the net impact of the tax has arguably been negative to the U.S. Treasury.

"The President committed that no family making less than \$250,000 a year would see any form of tax increase on his watch," noted Bonn. "Unfortunately, that has not been the case with the tan tax which impacts millions of Americans at all income levels who enjoy tanning."

Repeal of the tan tax has gained momentum in Washington since the introduction in July 2015 of HR 2698, "The Tanning Tax Repeal Act of 2015." During 2015, the repeal garnered bi-partisan support, with 79 members of Congress, both Republicans and Democrats, signing on as co-sponsors of the bill.

The American Suntanning Association is a Section 501(c)(6) nonprofit organization representing professional sunbed salon owners committed to responsible and balanced sun care. The ASA urges a facts-based discussion among the industry, medical community and government regarding the risks and benefits of UV exposure. For more information, visit <u>www.americansuntanning.org</u>