

**DE/RECONSTRUCTING THE INDIVIDUAL PENALTY TAX
(THE SHARED RESPONSIBILITY PAYMENT)
UNDER THE AFFORDABLE CARE ACT**

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ABSTRACT

This paper first details and then revises the newly implemented penalty tax (the Shared Responsibility Payment or the “SRP”) under the Affordable Care Act. The SRP was designed by Congress to ensure that every American obtains minimum essential healthcare coverage so that comprehensive and affordable health care coverage can be achieved for all qualifying Americans. While the penalty tax was deemed constitutional by the United States Supreme Court, it is extremely complicated and has challenged many Americans especially lower-income individuals. This paper using detailed examples explains the intricacies of the SRP exposing its notably regressive systemic characteristics. The authors then proceed to suggestion statutory amendments to the SRP to eliminate the onerous regressivity while continuing to achieve Congressional goals.