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Inside Scoop Behind Indoor Tanning Tax

Indoor tanning is the act of getting a tan under ultra violet light in tanning salons. According to the Journal of American Academy of Dermatology, more than 1 million people tan in tanning salons each day in the United States. An indoor tanning customer would spend about \$75 per session and this has spawned an industry worth \$5 billion a year. There are some 18,000 tanning salons in the US. In some cities, there are more tanning salons than Starbucks or McDonalds. And a typical tanning salon could generate about \$150,000 in gross income per year.

Beginning July 1 this year, the government will impose a 10% tax on tanning sessions, part of a small section in the health care reform bill. This provision in the bill was insignificantly put in late December in page 902 of the 906 page bill. It was done after the so-called 'Botax' tax on elective cosmetic treatments like breast enhancement surgery and Botox was removed at the behest of the American Academy of Cosmetic Surgery (AACS) and the American Academy of Dermatologists Association.

The cosmetic tax that was vehemently opposed by the AACS was a 5% charge on cosmetic procedures. Dr. Mark Berman, president of AACS argued that taxation would hurt the industry that is a major contributor to the economy, labeling the tax as a 'tax largely against women'. In response, Jerry Deveney, sales manager of JK Products and Services, the world's largest manufacturer of tanning machines argued that the tanning industry also plays a significant role in the economy whose clients are also mostly women. It is a widely held view that the move to tax the indoor tanning industry was largely the result of a political move as little notice and public hearing were given by lawmakers before the tax was added to the health care bill.

The new tax has caused the players in the tanning industry to be up in arms. They feel that they have been discriminated against and that other closely related industries such as tourism and the cruise industry also benefit immensely from bronze body fans and yet they are not subject to this tax. They also fear that the tax could discourage patrons from continuing their tanning routine thus affecting the business of many tanning salons, in particular the smaller independent ones who are already feeling the pinch due to the sluggish economy. In addition, this could also cause potential new tanning salon entrepreneurs not to enter the business.

After all is said and done, the new tanning tax is expected to raise \$2.7 billion over 10 years. This would help fund the \$940 billion the government is going to spend to overhaul the health care industry.

Darrin T. Mish is a veteran, nationally recognized tax attorney who has focused on providing IRS help to taxpayers for over a decade. He regularly travels the country training other attorneys, CPAs and enrolled agents on how to handle their toughest cases with the IRS. He is highly ranked among the top attorneys in the country, with an AV rating from Martindale-Hubbell and a perfect 10 on Avvo.com. Martindale-Hubbell has also honored him with a listing in their Bar Register of Preeminent Lawyers. He is a member of the American Society of IRS Problem Solvers and the Tax Freedom Institute. With clients on every continent but Antarctica, he has what it takes to solve your IRS problems no matter where you live in the world. If you would like more information about his practice and how he can help you, please call his office at (813) 229-7100 or toll free at 1-888-GET-MISH.