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CONTACT: John Kartch

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[jkartch@atr.org](mailto:jkartch@atr.org)

202-785-0266

## Gibbs Misleads Public on Obama's Broken Tax Pledge

*Reminder to Robert Gibbs: Your boss has already broken his middle-class tax pledge*

WASHINGTON, D.C.—White House spokesman Robert Gibbs seems to have forgotten that his boss has already broken his central campaign promise – a “firm pledge” that “no family making less than \$250,000 a year will see any form of tax increase. Not your income tax, not your payroll tax, not your capital gains taxes, not any of your taxes.”

Responding to a question during his daily press briefing today, Gibbs said, “The President believes raising taxes on the middle class during this economic time would not make a lot of economic sense.”

But President Obama has already broken his “firm pledge” at least eight times:

**1. Federal Tobacco Tax Hike:** On Feb. 4, 2009, just sixteen days into his presidency, Obama signed into law a [156 percent increase in the federal excise tax on tobacco](#) – a hike of 62 cents per pack. The median income of smokers is just over \$36,000.

When the tax took effect on April 1, 2009, White House spokesman Reid Cherlin [tried to pull a fast one](#) on Associated Press reporter Calvin Woodward. Cherlin falsely claimed Obama's tax pledge applied only to “income or payroll taxes”. Cherlin said: "The president's position throughout the campaign was that he would not raise income or payroll taxes on families making less than \$250,000, and that's a promise he has kept." Woodward rightly wasn't buying it ([PROMISES, PROMISES: Obama Tax Pledge Up In Smoke](#)).

Tax Increases on families making less than \$250,000 didn't stop with tobacco. Obama's signature on the healthcare reform bill made possible the following tax increases – none of which exempt families making less than \$250,000:

**2. The Tax on Indoor Tanning Services took effect July 1, 2010:** This provision of Obamacare imposes a new 10 percent excise tax on Americans using indoor tanning salons. The tax was tucked into the bill behind closed doors at the last minute, replacing the previous “Bo-Tax” – a proposed tax on plastic surgery. The 30 million Americans who visit tanning facilities are getting a lesson in the petty, nanny-state nature of Obamacare – every time they walk through the door. Not to mention the business owners and employees who are threatened by the tax.

**3. The “Medicine Cabinet Tax” takes effect Jan. 1, 2011:** Thanks to Obamacare, Americans will no longer be able to use health savings account (HSA), flexible spending account (FSA), or health reimbursement (HRA) pre-tax dollars to purchase non-prescription, over-the-counter medicines (except insulin).

**4. The HSA Withdrawal Tax Hike takes effect Jan. 1, 2011:** This provision of Obamacare increases the additional tax on non-medical early withdrawals from an HSA from 10 to 20 percent, disadvantaging them relative to IRAs and other tax-advantaged accounts, which remain at 10 percent.

**5. The “Special Needs Kids Tax” takes effect Jan. 1, 2013:** This provision of Obamacare imposes a cap on flexible spending accounts (FSAs) of \$2500 (Currently, there is no federal government limit). There is one group of FSA owners for whom this new cap will be particularly cruel and onerous: parents of special needs children. There are thousands of families with special needs children in the United States, and many of them use FSAs to pay for special needs education. Tuition rates at one leading school that teaches special needs children in Washington, D.C. ([National Child Research Center](#)) can easily exceed \$14,000 per year. Under tax rules, FSA dollars can be used to pay for this type of special needs education.

**6. The Obamacare Medical Prosthetics and Devices Tax takes effect in January of 2013:** This Obamacare tax raises the price of all medical prosthetic devices, such as pacemakers and artificial limbs. Consumers of these devices will end up paying more for these life-saving items.

**7. The Medical Itemized Deductions Cap takes effect Jan. 1, 2013:** Currently, those facing high medical expenses are allowed a deduction if the total cost if the expenses reduces the filer’s income by 7.5%. This provision of Obamacare imposes a threshold of 10%. This new tax will most adversely affect early retirees and the catastrophically ill.

**8. The Obamacare Individual Mandate Excise Tax takes effect Jan. 1, 2014:** Anyone not buying “qualifying” health insurance must pay an income surtax according to the higher of the following (page 71 of manager’s amendment updates Reid bill):

	<b>Single</b>	<b>2 People</b>	<b>3+ People</b>
2014	\$95/1.0% AGI	\$190/1.0% AGI	\$285/1.0% AGI
2015	\$325/2.0% AGI	\$650/2.0% AGI	\$975/2.0% AGI
2016+	\$695/2.5% AGI	\$1390/2.0% AGI	\$2085/2.5%/AGI

*Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact John Kartch at (202) 785-0266 or by email at [jkartch@atr.org](mailto:jkartch@atr.org).*

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