



MORE SPIN FROM OBAMA WHITE HOUSE: HOW IS AN EXCISE TAX NOT A TAX?

September 22, 2009

In a truly brazen and out-of-touch move, the Obama White House continued to dig in its heels yesterday in the face of President Obama's ridiculous assertion that [an excise tax is not a tax](#). Below we break down how the White House staff fumbles and bumbles a defense of their boss' willful ignorance of the English language. First, here is what the plan [written by Senator Max Baucus' staff](#) says about the matter:

***"Excise Tax.** The consequence for not maintaining insurance would be an excise tax... the **excise tax** would be **assessed through the tax code** and applied as an **additional amount of federal tax owed**."*

Now, here's what [White House spokesman Linda Douglass](#) had to say, with our analysis:

The White House on Monday reiterated that it doesn't view the fee as a tax. Officials said Americans are already paying as much as \$1,000 a year in higher medical costs to subsidize caring for the uninsured, and would save money if lawmakers pass the health overhaul. They noted that lower-income people would get federal help to buy insurance and avoid the penalty.

ATR: The fact that people might be paying for uncompensated care has nothing to do with the fact that the additional cost in the Baucus plan is a TAX, as the President has denied and his staff has reiterated, even in the face of plain language. Also, the fact that poorer Americans are getting subsidized doesn't change the fact that the Baucus-Obama excise tax will fall squarely on families making less than \$250,000 per year (in violation of Obama's [repeated campaign promise](#)).

"People would be required to get health insurance, just as they are required to have auto insurance or to send their children to school," said White House spokeswoman Linda Douglass. "A fee would only be imposed on those few who could afford to purchase insurance, but refuse to do so."

ATR: An auto insurance mandate doesn't translate into people having auto insurance, as mandate-state California demonstrates with its [18 percent uninsured motorist rate](#). As for the school mandate, the White House just managed to threaten the vote-moving issue of millions of home-schooling parents who don't want the government forcing their child to go to government school.

Getting back to the excise tax, would this only apply to "a few who could afford to purchase insurance, but refuse to do so?" The excise tax would apply to any uninsured household earning income at least at the [federal poverty line](#), which is \$21,834 for a family of four with two children. [The great majority of the uninsured are above the federal poverty line](#), and would have to pay this new excise tax.

722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T:(202)785-0266

F:(202)785-0261

www.ATR.org