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President Obama Re-Affirms No-Tax Pledge: Will He Condemn Middle Class Tax Hikes in the House Democrat Health Bill?

Three tax hikes in the bill on families making under \$250,000

WASHINGTON, D.C.— On Monday, Obama press secretary Robert Gibbs affirmed that President Obama will uphold his repeated promise to not raise “any form” of taxes on families making less than \$250,000 per year. The healthcare bill under consideration in the House of Representatives, though, does raise taxes on these families in three different ways.

Individuals (including those making less than \$250,000) not enrolled in a health insurance plan would pay a tax of up to 2.5 percent of their income. Employers (including business owners profiting less than \$250,000) not providing health insurance for their workers would face a payroll tax of 8 percent. Finally, the IRS would be empowered to disallow legal tax deductions that lack “economic substance”—a nebulous concept that would affect families of all income levels.

“There are at least three ways that the House Democrat bill would raise taxes on families making less than \$250,000 per year,” said ATR President Grover Norquist. **“This doesn’t even count the indirect taxes families would bear in the form of lost jobs, lower wages, higher prices, and shrunken retirement savings.”**

President Obama has been adamant that he doesn’t want to influence the legislative process on healthcare reform. However, he has been willing to draw several “lines in the sand” thus far. He wants healthcare legislation to “bend the cost curve.” He doesn’t want any healthcare bill to increase the deficit. He wants a healthcare bill to substantially increase the number of Americans covered by health insurance.

“President Obama needs to put some teeth in his no-tax promise by creating a line in the sand for taxpayers,” continued Norquist. **“He should make clear to Speaker Pelosi and Leader Reid that he will veto any healthcare bill which raises taxes—any taxes—on American families making less than \$250,000 per year. To do any less would render his promise worthless.”**

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.

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