



Supreme Court Outs Obama As The Biggest Middle Class Tax Hiker

By Jim Powell

Perhaps the most definitive promise that Barack Obama made during the 2008 campaign was that there would be no middle class tax increases.

Obama was as emphatic as President George H.W. Bush who, in 1992, campaigned with the bold slogan, “Read my lips, no new taxes!” Violating that pledge was perhaps the most important reason why voters threw him out.

In 2009, George Stephanopoulos interviewed President Obama who emphatically denied that Obamacare penalties were taxes. Obama declared, “For us to say that you’ve got to take a responsibility to get health insurance is absolutely not a tax increase. George, you can’t just make up the language and say that’s a tax increase. I absolutely reject the notion [that Obamacare penalties are taxes].”

Well, guess what, folks! Chief Justice Roberts and the other liberals on the court have determined that the Obamacare penalties really are taxes – mostly middle class taxes. These middle class taxes go into effect in 2014, unless Obamacare is repealed.

In March 2012, the Congressional Budget Office estimated that during the next decade, the mandate tax and other Obamacare taxes would exceed \$400 billion.

Court liberals ruled that while forcing people to buy something cannot be justified by the Commerce Clause, it can be justified by imposing a tax.

Big health insurance honchos must be licking their chops, since the Supreme Court decision to uphold mandate taxes means everyone will be forced to buy their products. The decision could usher in the biggest expansion of crony capitalism in the history of the United States.

This is probably just the beginning. There is, in fact, no effective limit on what government can force people to buy and pay for with yet another tax.

For example, in an effort to pay for Obamacare deficits, a second Obama administration conceivably could announce a confiscatory tax that involves seizing private 401(K) and pension plans, like Argentina’s deficit-plagued national government did in 2008.

Of course, it was no secret that Obamacare is all about taxes.

Since 2011, Obamacare has imposed a tax on manufacturers as well as importers of branded pharmaceuticals, and of course that tax will be passed on to consumers, most of whom are middle class taxpayers.

Starting in 2013, there will be an Obamacare tax on medical devices such as intra-uterine devices, artificial hips, heart pacemakers, breast implants, coronary stents, ear tubes, traumatic fracture repair devices and artificial eye lenses for people with severe cataract problems.

Meanwhile, Obamacare will reduce deductible medical expenses in 2013, requiring people to pay more medical expenses out-of-pocket.

Obamacare provides that the Hospital Insurance payroll tax goes up for millions of taxpayers. According to the 2012 Medicare annual report, an estimated 80 percent of taxpayers – which means middle income people — would end up paying higher taxes.

In addition, Obamacare will restrict the use of health savings accounts, forcing people to pay even more medical expenses out-of-pocket.

Moreover, there will be an Obamacare tax on “Cadillac” health care plans. Although this was aimed at “the rich” whom Obama loves to demonize, West Virginia’s Democratic Senator Jay Rockefeller pointed out that it would have hurt plenty of middle class people, too: “virtually every single coal miner is going to have a big, big tax put on them because the tax will be put on the company, and the company will immediately pass it down, lower benefits, and probably this will mean higher premiums for coal miners.” Obama ended up exempting his union buddies — favoritism.

It has been estimated that as many as 16,000 new IRS agents will have to be hired to collect all these Obamacare taxes.

The middle class will be especially hard hit by Obamacare taxes. In part, this is because there are far more middle class people than highly successful people. The middle class is where the money is. In addition, middle class people mainly receive income from wages and salaries. Middle class people have few opportunities to reorganize their affairs in ways that might reduce their tax liabilities. The principal opportunities include moving to a lower-tax jurisdiction, working fewer hours each week, retiring early and/or arranging to be paid more in cash.

Highly successful people have more options. They’re in a better position to incorporate themselves. They tend to receive income in many ways including capital gains, interest and royalties. They can shift from tax-disadvantaged income to tax-advantaged income. They can offset some income with tax losses. Income can be sheltered in trusts. Assets can be transferred to lower-tax jurisdictions, including overseas tax havens. Many highly successful people have homes in more than one tax jurisdiction and can easily change their residence for tax purposes. The more Obama tries to soak the rich, the faster they’re likely to vamoose.

Now the president is enjoying a victory lap after the Supreme Court decision, but the thrill might soon be gone. Polls suggest Obamacare continues to be widely unpopular, which is why after Democrats voted for it and found out what was in it, they tried to avoid talking about it whenever they were around voters. The Tea Party took off in 2009 and 2010, because of Obamacare. Now comes the Supreme Court decision to remind everybody that Obamacare is all about odious taxes, blatant coercion, bureaucratic complexity and insurance premium hikes that weren't supposed to happen. All this, plus chronic unemployment and stagnation, could help put Romney over the top and leave Obama in the dust, mumbling "Read my lips, no new taxes."

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