



## Obama creates new tax on Christmas trees, fees get passed on to consumers.

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### Republicans, bloggers needle Obama for creating new tax on Christmas trees - true?

In Oregon, fresh cut Christmas trees are as cherished as hazelnuts and Hood strawberries: We grow a lot of them, so we own them. So it was with some astonishment that PolitiFact Oregon heard that President Barack Obama was trying to make it more expensive for people to buy holiday trees.

["Is President Obama 'the Grinch who taxed Christmas' trees?"](#) queried a headline on the Los Angeles Times website. A Republican congressman from Louisiana issued a press release, slamming the Democratic president for trying to ["sneak through this new tax on Christmas trees."](#) By the end of Nov. 9, 2011, the conservative Heritage Foundation had logged more than 2,000 comments on its blog post, ["Obama Couldn't Wait: His New Christmas Tree Tax."](#)

Locally, we spotted a Multnomah County GOP retweet of the Republican National Committee: "Obama admin creates new tax on Christmas tree farms, fees get passed onto the consumer."

What in the name of Rudolph and Frosty and the Polar Express was going on?

Oregon is the No. 1 grower of Christmas firs and pine, harvesting more than 7 million trees. (That's [twice the haul of No. 2 North Carolina.](#)) Was the president seriously imposing a new "tax" that might make our holidays a little less ho-ho-ho?

As it happens, a [national fresh tree group](#) had sought the 15-cent tree assessment to better promote its products. It's a ["checkoff program"](#) much like the ones already in place for beef (["it's what's for dinner"](#)) and pork (["the other white meat"](#)).

The Agriculture Department approved the idea. The Internet exploded. By the end of the day, the White House had decided to re-assess.

Betty Malone, an Oregon tree farmer who heads up the [Christmas Tree Promotion Now](#) campaign, said she was stunned anyone would describe the tree fee as something dreamed up by the president.

"It's absurd. We've been working on this for three-and-a-half years. The industry has talked about this for 20 years," Malone said. "This started long before Obama" was in the White House.

To be fair, not everyone in the industry embraces the idea, although the [National Christmas Tree Association](#) reports the majority of responses to the proposed program were positive.

Would the fee be passed on to consumers? That's unclear, said Bryan Ostlund, executive director of the [Pacific Northwest Christmas Tree Association](#). "It doesn't get automatically

passed along, but somebody along the line has to cover it."

Finally, there's the question of whether the 15-cent assessment is actually a "tax." The federal government monitors the agricultural marketing board that administers the money, but the revenue doesn't go to government. Rick Dungey, spokesman for the national tree association, [insists it is not a tax](#). (He also says consumers should not see a difference in tree prices.)

In Oregon, at least, [revenue has to go into the general treasury](#) in order to be considered a tax. If the government doesn't touch the money, even though government mandates it, the assessment is neither a tax nor a fee.

But we digress. We're talking about the federal government. Let's turn to federal sources, with the help of national PolitiFact.

"It certainly doesn't smell or quack like a tax," said Robert Litan, the vice president for Research and Policy at the [Ewing Marion Kauffman Foundation](#) and a former associate director of the Office of Management and Budget under President Bill Clinton.

On the other hand, Dan Mitchell, an economist with the [Cato Institute](#), says "a coercive levy is a tax."

We also checked with Stephen Bell, communications director for U.S. Rep. Steve Scalise, the Louisiana congressman who vowed to block Obama's sneaky tree tax, and Sean Spicer, an RNC spokesman. It didn't matter to either of them that industry had sought the assessment or that industry was denying it's a tax.

"It doesn't matter who asked for it," said Bell. "It's at the sole discretion of the Obama administration to impose a tax, and they decided to impose this 15-cent tree tax."

This is a tax, added Spicer, because "it's not voluntary. It's not a contribution to a cause."

So, where does that leave us? Sources appear split on whether this truly is a tax and whether the cost would be passed along to consumers. As for the claim that Obama created this new tax, that suggests that he came up with the program -- when it's clear the idea preceded his presidency and originated with the industry.

Those are pretty big facts to ignore. So we rate the claim Mostly False: The statement contains an element of truth but ignores critical facts that would give a different impression.