

"Obama has (a) new Christmas tree tax."

[Greg Abbott](#) on Wednesday, November 9th, 2011 in a tweet

Texas Attorney General Greg Abbott says Obama has a new Christmas tree tax



Weeks before Thanksgiving, the Internet was abuzz with holiday news that no doubt would turn Santa Claus' smile upside down: President Barack Obama was trying to make it more expensive for people to buy Christmas trees.

A headline on the Los Angeles Times' website asked: "[Is President Obama 'the Grinch who taxed Christmas' trees?](#)" And a Republican congressman from Louisiana posted a press release slamming the president for trying to "[sneak through this new tax on Christmas trees.](#)"

In Texas, Attorney General Greg Abbott and others took to Twitter the same day — Nov. 9, 2011 — to express their opposition. Abbott's tweet: "Obama = Scrooge. Obama has new Christmas Tree Tax."

Really?

Christmas trees are a big business in Oregon, so our PolitiFact colleagues there [jumped](#) on this claim.

Included in Abbott's tweet was a link to a Nov. 8 [blog post](#) by David Addington on the conservative Heritage Foundation's website titled "Obama couldn't wait: His new Christmas tree tax." The post cited an entry in that day's Federal Register — which publishes information on regulations — announcing an effort to help the Christmas tree industry promote itself.

It's what's known as a "[checkoff program](#)" — under which producers of a commodity are required to pitch in money for ad campaigns, market research, product development and consumer education efforts. Some of the most familiar checkoff programs are for beef ("[it's what's for dinner](#)") and pork ("[the other white meat](#)").

According to the Federal Register entry on the Christmas tree program, it was sought by an industry group called the Christmas Tree Checkoff Task Force. Proponents of the program say the Christmas tree industry needs a sustained national marketing campaign to compete with advertising by sellers of artificial trees.

To fund the program, growers and importers of Christmas trees will pay a "15-cent assessment" on each tree sold, and the money will go to a board made up of 12 Christmas tree sellers, who will direct the research and marketing efforts. Board members will be nominated by the industry and selected by the U.S. secretary of agriculture. Growers and importers who sell fewer than 500 trees a year are exempt from that 15-cent assessment — which Addington dubbed a tax in his blog.

A day after the Heritage blog posted, criticism of the program exploded across the Internet. By the end of the day, the White House was [telling reporters](#) that the administration would delay the Christmas tree checkoff program. No new start date was given.

Justin DeJong, a spokesman for the Agriculture Department, told us that the program is on hold because "misinformation" about it had created confusion for consumers shortly before the start of the Christmas season.

DeJong disputed the labeling of the 15-cent assessment as a tax. "What's being talked about here is an industry group deciding to impose fees on itself to fund a promotional campaign, and there are many success stories in every sector of the industry (milk, beef, pork, etc)," he wrote in an email.

Official notice that the program had been delayed indefinitely appeared in the Nov. 17, 2011, Federal Register. The entry says that the program is on hold "to provide additional time for the department to reach out to the Christmas tree industry and the public to explain how a research and promotion program is a producer-driven program to support American farmers."

Betty Malone, an Oregon tree farmer who led the task force that submitted the request for the program to the Agriculture Department, told PolitiFact Oregon that she was stunned anyone would describe the tree fee as something dreamed up by Obama.

"We've been working on this for three-and-a-half years," she said. "The industry has talked about this for 20 years. This started long before Obama" was president.

According to the task force's proposal, filed with the Agriculture Department on Aug. 12, 2009, sessions to gauge interest in the establishment of a checkoff program among growers were held in Michigan, North Carolina, Oregon and Pennsylvania in 2008 — when George W. Bush was president.

Not everyone in the industry embraces the idea. According to the Nov. 8 Federal Register entry, the Agriculture Department received more than 550 responses about the checkoff

program proposal during its 65-day designated "comment period." Of the total, 398 were in favor while 147 were opposed.

In Texas, Marshall Cathey, president of the Texas Christmas Tree Growers Association, with more than 100 members, said the group voted against supporting the checkoff program proposal.

We talked with two Texas Christmas tree farmers opposed to the program. Bob Childress, whose farm is about 40 miles east of Abilene, said he considers the program an example of government reaching inappropriately into the marketplace.

Marc Nash, co-owner of Elgin Christmas Tree Farm, agreed and said he objects to being forced by the government to pay into an industry promotional campaign. Nash also said Texas growers, which primarily have small farms in rural areas, won't benefit from the checkoff program because its marketing efforts would most likely take place in major, urban areas where any increased sales would help large Christmas tree wholesalers.

Next, we looked into whether the 15-cent fee would be passed on to tree buyers and whether it amounts to a tax, as Abbott says.

The National Christmas Tree Association, a supporter of the program, said in a Nov. 9, 2011, press release that "the program is not expected to have any impact on the final price consumers pay" for trees. However, Addington, in his blog, writes that "of course, the Christmas tree sellers are free to pass along the 15-cent federal fee to consumers who buy their Christmas trees."

Bryan Ostlund, executive director of the Pacific Northwest Christmas Tree Association, told PolitiFact Oregon that it's unclear whether the fees would ultimately be the responsibility of buyers. "It doesn't get automatically passed along, but somebody along the line has to cover it," he said.

PolitiFact also found disagreement about whether the tree charge is a tax. The federal government monitors the agricultural marketing board that administers the money, but the revenue doesn't go to the government.

The national tree association agrees with the Agriculture Department that the 15-cent assessment isn't a tax. Again, Addington's perspective is different. In his blog, he writes: "The federal government mandates that the Christmas tree sellers pay the 15-cents per tree, whether they want to or not. The federal government directs that the revenue generated by the 15-cent fee goes to the board appointed by the secretary of agriculture to carry out the Christmas tree program established by the secretary of agriculture. Mr. President, that's a new 15-cent tax to pay for a federal program to improve the image and marketing of Christmas trees."

For other perspectives, PolitiFact consulted national experts.

"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 who was an associate director of the Office of Management and Budget under President Bill Clinton.

On the other hand, Dan Mitchell, an economist with the libertarian Cato Institute, says "a coercive levy is a tax."

Our ruling

Opinion is split on whether the 15-cent fee on Christmas trees — if it goes into effect — would be a tax and whether the cost would be passed along to consumers.

Setting that eye-of-the-beholder issue aside, the claim that Obama was behind the tree charge suggests he came up with the scheme. That's not correct; the idea originated with the industry before he became president. We rate the statement Mostly False.