

American Thinker

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June 27, 2009

Union health plans may avoid special tax

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This is an interesting story on two levels. First, the Friends of Unions in the senate may exempt union negotiated health plans from a scheme to tax so-called "gold plated" health insurance programs. That's not a surprise, given union dominance these days. They get pretty much whatever they ask for and even some stuff they don't.

But how about the idea of punishing people for having better plans than anyone else? "Gold plated" is a highly subjective term. I would imagine most of these superior health plans are in place as an incentive for an employee to stay with the company.

And now the Democrats want to punish employers for trying to keep their best employees?

Ryan J. Donmoyer and Holly Rosenkrantz of [Bloomberg](#) have the details:

[Senate Finance Committee](#) Chairman [Max Baucus](#), the chief congressional advocate of taxing some employer-provided benefits to help pay for an overhaul of the U.S. health system, says any change should exempt perks secured in existing collective-bargaining agreements, which can be in place for as long as five years.

The exception, which could make the proposal more politically palatable to Democrats from heavily unionized states such as Michigan, is adding controversy to an already contentious debate. It would shield the 12.4 percent of American workers who belong to unions from being taxed while exposing some other middle-income workers to the levy.

"I can't think of any other aspect of the individual income tax that treats benefits of different people differently because of who they work for," said [Chris Edwards](#), director of tax policy studies at the [Cato Institute](#), a Washington research group that often criticizes Democrats' economic proposals. Edwards said the carve-out "smacks of political favoritism."

Baucus, a Montana Democrat, is proposing to tax Americans whose health insurance is valued at a higher rate than what is offered to federal employees. About 40 percent of insured Americans have costlier benefits, and Baucus has said he is trying to set the level at which taxes would be imposed high enough so fewer people are affected.

We welcome our new union overlords with open arms.

How about this being used as a selling point for a shop to go union? Unless the workers sign those little cards, their health benefits would be taxed. Not too blatant, are they?

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