



Five major ObamaCare taxes that will hit your wallet in 2013

By John Kartch

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While the individual mandate tax gets most of the attention, the ObamaCare law actually contains 20 new or higher taxes on the American people. These taxes are gradually phased in over the years 2010 (with its 10 percent "tanning tax") to 2018 (when the tax on comprehensive health insurance plans kicks in.)

Six months from now, in January 2013, five major ObamaCare taxes will come into force:

1. The ObamaCare Medical Device Manufacturing Tax

This 2.3 percent tax on medical device makers will raise the price of (for example) every pacemaker, prosthetic limb, stent, and operating table. Can you remind us, Mr. President, how taxing medical devices will reduce the cost of health care? The tax is particularly destructive because it is levied on gross sales and even targets companies who haven't turned a profit yet.

These are often small, scrappy companies with less than 20 employees who pioneer the next generation of life-prolonging devices. In addition to raising the cost of health care, this \$20 billion tax over the next ten years will not help the country's jobs outlook, as the industry employs nearly 400,000 Americans. Several companies have already responded to the looming tax by cutting research and development budgets and laying off workers.

2. The ObamaCare High Medical Bills Tax

This onerous tax provision will hit Americans facing the highest out-of-pocket medical bills. Currently, Americans are allowed to deduct medical expenses on their 1040 form to the extent the costs exceed 7.5 percent of one's adjusted gross income.

The new ObamaCare provision will raise that threshold to 10 percent, subjecting patients to a higher tax bill. This tax will hit pre-retirement seniors the hardest. Over the next ten years, affected Americans will pony up a minimum total of \$15 billion in taxes thanks to this provision.

3. The ObamaCare Flexible Spending Account Cap

The 24 million Americans who have Flexible Spending Accounts will face a new federally imposed \$2,500 annual cap. These pre-tax accounts, which currently have no federal limit, are used to purchase everything from contact lenses to children's braces. With the cost of braces being as high as \$7,200, this tax provision will play an unwelcome role in everyday kitchen-table health care decisions.

The cap will also affect families with special-needs children, whose tuition can be covered using FSA funds. Special-needs tuition can cost up to \$14,000 per child per year. This cruel tax provision will limit the options available to such families, all so that the federal government can squeeze an additional \$13 billion out of taxpayer pockets over the next ten years.

The targeting of FSAs by President Obama and congressional Democrats is no accident. The progressive left has never been fond of the consumer-driven accounts, which serve as a small roadblock in their long-term drive for a one-size-fits-all government health care bureaucracy.

For further proof, note the ObamaCare "medicine cabinet tax" which since 2011 has barred the 13.5 million Americans with Health Savings Accounts from purchasing over-the-counter medicines with pre-tax funds.

4. The ObamaCare Surtax on Investment Income

Under current law, the capital gains tax rate for all Americans rises from 15 to 20 percent in 2013, while the top dividend rate rises

from 15 to 39.6 percent. The new ObamaCare surtax takes the top capital gains rate to 23.8 percent and top dividend rate to 43.4 percent. The tax will take a minimum of \$123 billion out of taxpayer pockets over the next ten years.

And, last but not least...

5. The ObamaCare Medicare Payroll Tax increase

This tax soaks employers to the tune of \$86 billion over the next ten years.

As you can understand, there is a reason why the authors of ObamaCare wrote the law in such a way that the most brutal tax increases take effect conveniently after the 2012 election. It's the same reason President Obama, congressional Democrats, and the mainstream media conveniently neglect to mention these taxes and prefer that you simply "move on" after the Supreme Court ruling.

John Kartch is director of communications at Americans for Tax Reform. Follow him on Twitter @JohnKartch.

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