

CLICK HERE
TO SAVE OVER **75%** ON A STUDENT GIFT SUBSCRIPTION

THE WALL STREET JOURNAL

Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit www.djreprints.com

[See a sample reprint in PDF format.](#)

[Order a reprint of this article now](#)

THE WALL STREET JOURNAL

WSJ.com

REVIEW & OUTLOOK | SEPTEMBER 21, 2009

Obama's Nontax Tax

On a Sunday show, the President offers a revealing definition.

President Obama didn't make much news on his round of five Sunday talk shows yesterday, with one notable exception. The President revealed a great deal about his philosophy of government and how he defines a tax increase. It turns out the President thinks a health-care tax is not a tax if *he* thinks the tax is for your own good.

Appearing on ABC's "This Week," Mr. Obama was asked by host George Stephanopoulos about the "individual mandate." Under Max Baucus's Senate bill that Mr. Obama supports, everyone would be required to buy health insurance or else pay a penalty as high as \$3,800 a year. Mr. Stephanopoulos posed the obvious question about this kind of coercion when "the government is forcing people to spend money, fining you if you don't [buy insurance]. . . . How is that not a tax?"

"Well, hold on a second, George," Mr. Obama replied. "Here's what's happening. You and I are both paying \$900, on average—our families—in higher premiums because of uncompensated care. Now what I've said is that if you can't afford health insurance, you certainly shouldn't be punished for that. That's just piling on. If, on the other hand, we're giving tax credits, we've set up an exchange, you are now part of a big pool, we've driven down the costs, we've done everything we can and you actually can afford health insurance, but you've just decided, you know what, I want to take my chances. And then you get hit by a bus and you and I have to pay for the emergency room care, that's . . ."

"That may be," Mr. Stephanopoulos responded, "but it's still a tax increase." (In fact, uncompensated care accounts for about only 2.2% of national health spending today, but that's another subject.)

Mr. Obama: "No. That's not true, George. The—for us to say that you've got to take a responsibility to get health insurance is absolutely not a tax increase. What it's saying is, is that we're not going to have other people carrying your burdens for you anymore . . ." In other words, like parents talking to their children, this levy—don't call it a tax—is for your own good.

Mr. Stephanopoulos tried again: "But it may be fair, it may be good public policy—"

Mr. Obama: "No, but—but, George, you—you can't just make up that language and decide that that's called a tax increase."

"I don't think I'm making it up," Mr. Stephanopoulos said. He then had the temerity to challenge the Philologist in Chief, with an assist from Merriam-Webster. He cited that dictionary's definition of "tax"—"a charge, usually of money, imposed by authority on persons or property for public purposes."

Mr. Obama: "George, the fact that you looked up Merriam's Dictionary, the definition of tax increase, indicates to me that you're stretching a little bit right now. . . ."

Mr. Stephanopoulos: "I wanted to check for myself. But your critics say it is a tax increase."

Mr. Obama: "My critics say everything is a tax increase. My critics say that I'm taking over every sector of the economy. You know that. Look, we can have a legitimate debate about whether or not we're going to have an individual mandate or not, but . . ."

Mr. Stephanopoulos: "But you reject that it's a tax increase?"

Mr. Obama: "I absolutely reject that notion."

If you can follow this reasoning, then you probably also think that a new entitlement is the best way to reduce entitlement spending. The Congressional Budget Office estimates that the Senate's individual mandate will result in new revenues of some \$20 billion over 10 years because some people will choose to opt out of ObamaCare—or because they can't afford to buy in, given that other taxes and regulation will make health care more expensive. If that \$20 billion doesn't count as tax revenue, then what is it?

And for that matter, what doesn't count as a nontax under Mr. Obama's definition? All taxes can be justified in the name of providing some type of service, however wasteful. Mr. Obama complains that "My critics say everything is a tax increase," as if that is his political problem. His real problem is that the individual mandate really is a tax, but the President doesn't want voters to think of it that way, because taxes are unpopular.

Printed in The Wall Street Journal, page A18

Copyright 2009 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com