

Quote of the Day: *“So tonight, to you, the great silent majority of Americans, I ask for your support.”*
– President Richard Nixon, November 3, 1969

However, this time, I think that the majority of Americans who in every poll oppose this health care travesty are not and will not be silent. I thank you for that. And remember, there is strong bipartisan opposition to this bill. The partisan side is the extreme left wing of the Democratic Party who are driving this thing and will not work together with the rest of us who want to go in a direction which will not hasten our economic failure. The word is that Speaker Pelosi still has not persuaded enough Democrats to vote for the bill against their constituents and in many cases against their own beliefs.

Tax Increases: The “final” bill came out yesterday afternoon. Here is a partial list of the tax increases included in this reprehensible and immoral bill:

- A new 3.6% tax on all investment income including capital gains. That means that the capital gains tax rate (including California state tax) will rise to 33.9%. The tax on dividend income will rise from 15% today to 53.7% including California tax.
- Additional Medicare tax on self employment income and wages. This removes the current cap on wages subject to this tax and it will effectively move the top income tax rate from 35% to 43.4% within a couple of years. Add in the California tax again and would then be close to a 54% marginal tax rate. I believe that this is the highest of any major industrialized country. But because spending is so high we would still have \$1 trillion dollar annual deficits even after this tax.
- There is a 2.9% tax on all medical “devices”, which basically means everything used in a doctor’s office or hospital. Including gowns, syringes, and the like. This will increase health care costs for everyone who does not get free government insurance.
- The deduction for Medical expenses is currently limited to those expenses that exceed 7.5% of your income. This will be raised to a threshold of 10% of your income. This means that fewer people will get any tax relief from medical expenses they pay for themselves.

- There are various taxes on anything a person might do to pay for their own medical expenses. Things like Health Savings Accounts, Cafeteria Plans, and Flexible Savings Accounts are ways for people to save their OWN money for their OWN medical care on a pre-tax basis will be limited and taxed. This is all part of the way that President Obama gets to government run health care by making it illegal or costly to pay for your own care so you have to go to the government.
- A 10% tax on tanning services. I call this the “Jersey Shore tax”. This one has to be really upsetting to ‘The Situation’, Snookie, and Pauly D.
- A tax on self-insured health plans. This is another penalty on those who try to pay for their own health care.
- A new tax on pharmaceutical manufacturers. This will raise the price of drugs for everyone who does not get them from the government for free.
- A new tax on “Cadillac” health plans. This is an up to 55% tax on any health insurance that costs over about \$800 per month including employee and employer contributions. This tax does not apply if you are a union member or your plan is from AARP or Blue Cross Blue Shield of Michigan. These are major Democratic constituencies and they exempted them. For everyone else, this discourages comprehensive health coverage. Isn’t that what the President says he is trying to achieve? Like most of what the President says, his actions are not even close to his words.
- There is a new tax on all ‘for-profit’ health insurance companies (except for a few favored ones). This will also raise the costs of premiums for everyone not getting free care from the government.
- If you don’t buy health insurance (as dictated acceptable by a new federal czar), you will be fined up to 2.5% of your income even if you pay all of your medical expenses yourself. If your company does not provide said health insurance to all employees, the company will be fined up to \$2,000 per employee.

All of this will cause growth and jobs to decline, medical costs to go up, deficits and debt to increase, and quality doctors and providers to leave the business. It will cause fewer people to pay for their own care, and more to seek government care. And that is exactly what the authors want.

In spite of all of these taxes, this bill will create deficits of at least half a trillion dollars **MORE** than what we already have at the federal and state levels over the next 10 years, and a great deal more after that. So, lots more taxes, lots more spending, and lots more deficits. The time at which the Treasury will not be able to sell debt any more, except at a huge rate, is approaching fast. America, in my opinion with this bill, is much more likely to collapse under the weight of our own fiscal excess than to be seriously threatened by any external force.

Until tomorrow, I remain respectfully,

Congressman John Campbell
Member of Congress