

Dr. Burgess Weekly Video Address January 18, 2013

“Health Care Law Means More Taxes”

Hello this is your Congressman Michael Burgess. 2013, it's a new year – for many this means a fresh start and new goals. In Washington it means a new Congress and President Obama's second term. 2013 also brings new taxes, a lot of new taxes, as a result of the president's health care law – about a trillion dollars over the next ten years.

While some of these health care taxes have been phasing in since 2010, major changes started the first of this year. This week I would like to let you know about five new specific taxes contributing to this one trillion dollar tax increase.

Medical devices manufactures – long a source of jobs and innovation in America are singled out for a particularly pernicious tax. The medical device tax, it's a new tax, 2.3% on gross sales; not profits, gross sales. That means even if a company does not earn a profit in a given year it is still receiving a hefty tax bill. This, of course, is going to drive innovation and jobs overseas to countries where this tax does not exist.

Almost 35 million Americans use a pre-tax Flexible Spending Account at work to pay for their family's basic medical needs. They are going to face a new government cap of 25 hundred dollars instead of the previous cap. Families with recurrent and predictable medical expenses used to be able to budget to offset some of these costs, paying for them with pre-tax dollars. This new flexible cap will hurt families that have predictable needs such as families with special needs children.

We can't forget the surtax on investment income or as President Obama likes to call it, “unearned income.” This new, three-point-eight percent percentage surtax, is on investment income in households making over \$250,000.

There's also a tax on medical deductions. A tax threshold of 10% on adjusted gross income. President Obama's health care law widens the net of taxable income for honestly some of the sickest Americans, those with the highest health bills.

And then finally there's the Medicare payroll tax. Under the Affordable Care Act, wages and profits are going to be taxed at an additional 0.9%. That's a direct marginal income tax on small business owners, who are liable for self-employment tax in most cases.

The American people can be sure of one thing – our taxes have been raised because of President Obama's health care law. In addition, we seem to be hurting those who need the most help, Americans who are sickest and Americans in the middle class. This is a huge tax bill for American's to pay. And you know, at the end of the day it bothers people to end up paying a whole lot more when they get a whole lot less.

Thank you for taking the time to listen. For more information on legislative issues before the United States Congress, please visit my website, burgess.house.gov. May God bless you and your family - and as always, may God bless Texas.