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The Empower America Reality Check

A regular tip sheet faxed free-of-charge to conservative talkers coast-to-coast.

CLINTON'S HEALTH PLAN: THE BIGGEST TAX INCREASE IN HISTORY?

- o The Clinton health plan will increase taxes by over 27% by the time it is fully phased-in by 2004. The health plan will raise revenues to \$2.62 trillion from \$2.05 trillion.
- o The bulk of these new revenues, \$513 billion, will come from compulsory payments by individuals and businesses to health alliances. These payments are taxes because they involve exercise of the federal government's sovereign power and because the health alliances are governmental institutions.
- o Additional revenues will come from three main sources: First, the increase in ordinary federal income and payroll taxes arising from higher wages, which will be caused by fall in cost to employers for providing health benefits. Second, the quadrupling of tobacco taxes. Third, excluding health insurance from cafeteria plans offered by employers.
- o A peacetime tax increase of this magnitude is unprecedented in American history. The largest tax increase in recent years, the Tax Equity and Fiscal Responsibility Act of 1982, for example, only increased revenues by less than 6 percent, whereas the Clinton plan will increase taxes by 27% percent.
- o The overall economic impact of combining universal health coverage, employer mandate, corporate assessment and taxes? By 2000, real GDP will drop \$75 billion, unemployment will increase by 900,000, inflation will rise 0.3 percent, and the federal budget deficit will go up by \$115 billion.

(This analysis comes from the Alexis deTocqueville Institute, which has spokesmen available for your station. Call Empower America to book an expert on the Clinton plan.) (RC-21; 2-24-94)

Empower America, led by Jack Kemp, William Bennett and Jeane Kirkpatrick, is America's leading grass-roots conservative advocacy organization.

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