



Written by [Ralph R. Reiland](#) on June 27, 2011

ObamaCare: Another Way to Redistribute Income and Wealth

In other words, ObamaCare is just another way for President Obama to achieve his goal of redistributing income and wealth. As candidate Obama, seeking to justify his redistributionist proposals for higher levels of government confiscation of higher incomes, made clear in 2008 to plumber Joe Wurzelbacher, "I think when you spread the wealth around, it's good for everyone."

It's the Miracle-Gro philosophy of economics. It views individual incomes as fertilizer, something for politicians to toss around in an attempt to make sure that all the flowers are adequately blooming and sufficiently equal.



"Politicians, most of whom love anything that expands the reach of government and their own power, are drawn even more to the creation and manipulation of a political spoils system that allows them to pay off their friends and punish their enemies," writes Ralston. "To that end, much political debate in recent years injects egalitarian ideology into the discussion. For example, Barack Obama, in his candidacy, advocated an increase in the capital gains tax even though such hikes suppress economic activity due to reduced capital investment, and decrease revenue to the government. He said he supported the increase anyway — because it would make taxes more 'fair.'"

The line of attack for full government control in health care was built on a strategy of Obama demonizing "the rich" as greedy for wanting to keep at least half of their earnings, while portraying medical professionals as ravenous butchers who would rather cut the feet off diabetics than provide advice on less profitable dietary solutions.

Regarding ObamaCare's redistribution aspects, Paul Winfree, senior policy analyst at the Heritage Foundation, highlighted the specifics in his recent analysis, "Obamacare Tax Subsidies: Bigger Deficits, Fewer Taxpayers, Damaged Economy."

"Obamacare's tax subsidies are available for certain households who purchase federally approved coverage in the newly created health insurance exchanges unless they are eligible for Medicare or Medicaid or they can receive coverage through their employer that meets standards established by Obamacare," explains Winfree.

"The tax subsidy is structured to cap the percentage of family income that these households pay for health insurance. The percentage is based on a sliding scale, so the subsidy decreases as household income rises. Households at 133 percent of the federal poverty level will receive a tax subsidy that limits their out-of-pocket premium to three percent of gross income. Households between 300 percent and 400 percent of the federal poverty level will receive a tax subsidy that limits their premium contribution to 9.5 percent of household income."



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In short, for the same medical coverage, some households will have to pay a percentage of their gross incomes that's more than three times what households with lower incomes will have to pay.

Ineligible for any subsidy, households with incomes higher than four times the federal poverty level will have to pay whatever price the government dictates.

What's next? Higher prices for bananas for those in the oft-targeted group of "millionaires and billionaires"? Triple turnpike tolls if you're driving a new BMW?

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