



Written by [Brian Koenig](#) on April 10, 2012

White House Diverts \$500 Million to IRS For ObamaCare Implementation

The tax agency has a role in several provisions of the law, including the controversial individual mandate now being examined in the Supreme Court. It is also responsible for a catalog of new fees and taxes that will require the hiring of more than 300 new employees to cover those changes — such as new fees on drug manufacturers and insurance policies. The IRS will also manage the most costly provision of the healthcare law, the subsidies (structured as tax credits) for poor families to buy health plans. The agency is requesting funding for another 537 new workers to supervise those subsidies.



Republicans claimed during congressional discussions over healthcare that the IRS would also have to hire hundreds of new agents to enforce the individual mandate and jail those who don't have insurance.

Of course, this is just a glimpse of the bureaucracy that President Obama's healthcare scheme will hatch. James Gattuso and Diane Katz of the Heritage Foundation recount in their [2012 "Red Tape Rising" report](#) that the Department of Health and Human Services (HHS) has planned 133 new rules relating to ObamaCare. However, these rules aren't coming by way of just the HHS. Gattuso and Katz explained:

Rulemaking related to Obama's health care legislation encompasses more than 150 federal agencies, bureaus, and commissions. And, it appears that the rules are changing faster than regulators can write them. Administrators have granted nearly 2,000 waivers to the new health care regulations, for instance, while the long-term-care insurance plan called for in the legislation has been dropped as completely unworkable.

Amidst the toiling in the Supreme Court over ObamaCare's constitutionality, congressional Republicans have fought to cut off all funding to enact the law, at least until after the Supreme Court makes its ruling, which is expected to happen by June. Last week's hearings on the law indicated that the justices might strike down the individual mandate provision, if not the law entirely.

"While President Obama and his Senate allies continue to spend more tax dollars implementing an unpopular and unworkable law that may very well be struck down as unconstitutional in a matter of months," [asserted](#) Rep. Denny Rehberg (R-Mont.), "I'll continue to stand with the American people who want to repeal this law and replace it with something that will actually address the cost of healthcare."

But despite staunch opposition from Republican lawmakers, and questions over the law's overall legality, Democrats and the President are aggressively pushing to implement ObamaCare. And according to a review of budget files delivered by Congress, the Obama administration is plowing through funding that is apportioned for the law's implementation. *The Hill* [reported](#):



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The law contains dozens of targeted appropriations to implement specific provisions. It also gave the Department of Health and Human Services (HHS) a \$1 billion implementation fund, to use as it sees fit. Republicans have called it a "slush fund."

HHS plans to drain the entire fund by September — before the presidential election, and more than a year before most of the healthcare law takes effect. Roughly half of that money will ultimately go to the IRS.

HHS has transferred almost \$200 million to the IRS over the past two years and plans to transfer more than \$300 million this year, according to figures provided by a congressional aide.

The Government Accountability Office (GAO) claims there are no legal questions regarding the funding transfers because the money was sidelined for "federal" implementation activities and can be provided to any agency. But the \$500-million transfer to the IRS, along with transfers to other agencies, is draining the HHS, and the department must pull from the \$1-billion fund to execute its largest tasks. For example, ObamaCare requires that the HHS launch a federal insurance exchange, which is designed to be an insurance marketplace for people to purchase health coverage. Because the law did not render any funding for the federal exchange, the HHS must draw from the \$1-billion fund.

So why steer funding to the IRS in such an indirect route? "The transfers also allow the IRS to make the healthcare law a smaller part of its public budget figures," *The Hill* speculated. "For example, the tax agency requested \$8 million next year to implement the individual mandate, and said the money would not pay for any new employees."

Naturally, critics have protested this enormous wealth transfer to the IRS. After all, American taxpayers are effectively paying the IRS to confiscate their money — for a law that is unconstitutional in the first place.



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