



Written by [Jack Kenny](#) on March 26, 2010

Obama On Healthcare Repeal: 'Go for It'

If Republicans want to run on a platform of repealing the health care reform Barack Obama signed into law on Tuesday, the President is encouraging them to "go for it!"

"They're actually going to run on a platform of repeal in November," Obama told a gathering of about 3,000 yesterday at the University of Iowa field house in Iowa City (left). "And my attitude is, go for it! If these congressmen in Washington want to come here in Iowa and tell small-business owners that they plan to take away their tax credits and essentially raise their taxes, be my guest," the president said during his visit to the state that holds the first caucus in the presidential selection process every four years. "If they want to have that fight, they can have it," he said. "Because I don't believe the American people want to put the insurance companies back in the driver's seat. We've been there. We're not going back. This country's moving forward."



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But in much of the country, the talk has been about the new taxes and penalties rather than tax credits included in the law.

Caterpillar, Inc., the world's largest manufacturer of construction equipment, said it would have to earn an additional \$100 million this quarter to offset additional taxes from the new health care legislation, the *Wall Street Journal* reported on March 24. That includes the tax on subsidies the company receives for prescription drug benefits for its retirees. Since President Bush signed the prescription drug benefit for Medicare recipients into law in 2003, Caterpillar and more than 3,500 other companies that already provided drug benefits to their retirees have received tax-free subsidies as an incentive to maintain those program. The subsidies average \$665 per person.

About 40,000 Caterpillar retirees receive company-sponsored drug benefits, according to the *Journal* report. Though the new tax will not take effect until next year, the company is required to recognize the impact in the quarter in which the law is enacted. Industry analysts estimate it will cost 13 cents a share, according to the *Journal*. The company says other taxes and mandates in the health care legislation will increase costs and hinder recovery after Caterpillar suffered a 75 percent reduction in income in 2009.

"From our point of view, a tax increase like this cannot come at a worse time," said Jim Dugan, a Caterpillar spokesman. In a letter last week to House Speaker Nancy Pelosi, (D., Calif.) and House Minority Leader John Boehner (R., Ohio), Caterpillar said additional costs will put the company "at a



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disadvantage versus our global competitors that are not similarly burdened."

In the tourism industry, where seasonal workers are often employed without health benefits, employers face a fine for each uninsured fulltime employee who works more than 120 days a year. In the Senate bill the House passed on Sunday, the fine was \$750 per employee. But in the reconciliation bill the House nearly tripled the penalty to \$2,000 per uninsured worker.

In large ski resorts that employ as many as 500 seasonal workers, that could mean a \$1 million fine each year. In New Hampshire, which depends heavily on tourist business, Ski NH, an industry lobbying group, has called on Senators Judd Gregg, a Republican who opposed the health care legislation, and Jeanne Shaheen, a Democrat who supported it, to reject the higher fee in the House reconciliation bill. The increased cost would force companies to either hire fewer workers or raise prices, Ski NH president Alice Pearce told the New Hampshire *Union Leader*. "New Hampshire ski areas can only push those prices so far," she said.

"Most Americans will be shocked to learn that Washington wants to slap fines on small businesses that hire more workers," Susan Collins (R-Maine) said during Senate debate on the reconciliation bill on Wednesday. "But the new health care law does exactly that. Incredibly, this reconciliation package makes matters worse." Lawmakers who supported the HIRE Act, providing temporary tax credits to businesses hiring the unemployed, should not now support hire taxes that will discourage job growth, she said.

"I know some will argue that we shouldn't be concerned about these penalties, because they won't become effective right away," Collins said. "Having these fines on the books will discourage job growth, no matter when they become effective, because small businesses won't hire and train workers today, just to let them go tomorrow."

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