Research

Tax Policy Meets the Affordable Care Act: The Case of the Premium Tax

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The Patient Protection and Affordable Care Act (ACA) "premium tax" will raise $78.2 billion over the next 5 years. President Obama's premium tax has four major implications:

- It creates an uneven playing field in which the government picks winners and losers in American's health insurance through flawed tax policy,
- It threatens the doctor-patient relationship by disrupting insurance and care arrangements,
- It forces higher premiums onto patients, heavily penalizing the middle class, and
- It makes the new insurance subsidy entitlement even more expensive.