



CONSORTIUM FOR CITIZENS
WITH DISABILITIES

RESOURCES FROM TAXES CAN HELP PREVENT DIMINISHED HEALTH

Tax initiatives should be progressive and on investment returns rather than on ones labor.

A forum was held on “Progressive Revenue Options to Fund Health Care ” Presenters at the forum were economists, a researcher on health policy, an expert on tax policy, and a legislative advocate for labor

Summary

The forum presented tax options to regressive measures to raise fiscal resources to support health care initiatives. One way to raise revenue is by taxing employer provided health care benefits, which are currently tax free. Another way for raising revenues is the regressive national sales tax or its cousin the Value Added Tax. Other regressive options are proposals to raise revenues through a national retail sales tax or its cousin the Value Added Tax.

An option to proposals to fund health care by taxing employer provided health care benefits is through a progressive tax on investment rather than labor. There were proposals for eliminating or reducing several subsidies and preferences provided in the federal tax code to the wealthiest and more powerful. Combined with savings in the existing health care system, these measures could raise enough revenues to adequately fund health care proposals. Other proposals were to 1) make the Medicare Tax a more progressive tax in which investors in business pay just like everyone else, 2) apply the individual portion of the Medicare tax to all income (\$38.1 billion), 3) introduce a higher Medicare tax for the rich (\$7.2 billion) , 3) combine options 1 and 2 (54.9 billion)

Other suggestions were 1) reduce or repeal tax subsidies for Wall Street investment income, 2) close tax loop holes enjoyed by Wall Street, 3) prevent corporations from using off shore schemes to avoid taxes, and 4) repeal inefficient health care subsidies favoring high income taxpayers.

Disability Prevention Issue

Revenues need to be raised through progressive initiatives because regressive taxation lessens financial resources of people who labor to meet necessary medical services. Of particular concern is loss of value of approximately 100 public health social determinant programs associated with diminished health that contributes to disability in federal discretionary spending

Intervention

A letter was sent to the keynote speaker that linked regressive tax measures with diminished population based health

Recommendation

Tax initiatives should be progressive on investment returns rather than on ones labor.