That Cornhusker Kickback Will Cost You Plenty

Remember when Nebraska Senator Ben Nelson cut a deal with the Obama Administration to deliver the 60th vote in favor of Obamacare? To the ever-lasting shame of both sides, the result was an embarrassment that came to be known as the Cornhusker Kickback.

Basically, Big Ben asked for some special help so Nebraska could cover the increased costs of Medicaid when ObamaCare finally passed. Barack and his buddies said "done" and — viola! — suddenly there was an additional $100 million for Nebraska buried deep in the legislation.

When news of this sweetheart deal got out, I'm delighted to report that a mighty outcry went up around the country. No one was willing to defend this crass example of Washington payola—not the folks who arranged it or even the voters who benefited from it.

In a sane world such overt bribery would never make it past a conference committee. But fiscal sanity—or even outright honesty—hasn't been much of a factor in Washington politics for years. Instead of slicing $100 million out of ObamaCare, the wheeler-dealers in charge of spending your money decided that "the only fair thing to do" was to give the same benefits to the other 49 states.

All of a sudden a special subsidy that was going to cost us $100 million — pocket change when you're talking about a $870-billion piece of legislation — soared to $30 billion. Even by Washington's spendthrift standards, we're starting to talk about some real money here, folks.

What happened next shouldn't have surprised me: The powers that be decided to cover the costs by slapping a new tax on well-off Americans. After all, as President Obama keeps reiterating, it's only right that the wealthiest among us pay "their fair share."

So that's how a brand-new tax on what the redistributionists like to call "unearned income" became the law of the land. Starting next year, if you earn more than $200,000 a year, expect to see another bite taken out of anything you've managed to save. The new tax will cover interest on your Certificates of Deposit and other savings accounts; any dividends you make on stocks or mutual funds, rental income on any real estate you own, and anything else our masters in Washington can classify as "unearned" income.

Excuse me for a moment while I let out a primal scream or two about the Marxist misnaming of my so-called unearned income. I worked mighty hard to earn every penny I've managed to save. There were a lot of 80 and 90 hour weeks when I was younger and just starting in business. I had to do the work of two or three people every week to keep my company's doors open. And I'll bet a lot of you who will be hit by this new tax can say the same thing.

Even Ben Nelson is now in full retreat from the monstrosity he helped create. No sooner had the Senate version of ObamaCare finally been approved in the House than he became the first Democrat in the

Senate to denounce "reconciliation." He said he was especially troubled by the new tax he helped foist on us. He also denounced all those other add-ons that have pushed "the total cost of health reform up billions of dollars."

Gee, does anyone think the Senator is trying to curry favor with the voters back home? I hope a lot of Nebraskans will remember all of this when they go to the polls this November.

By the way, while I'm on the subject, may I ask for a show of hands of all of you who feel you *don't* pay your fair share of taxes? And yes, Mr. Buffett, if by any chance someone sends you this column, we would love to publish your reply. I've seen reports that you think you should pay more. So why don't you? There's no law against Berkshire Hathaway adding a zero to every check it sends Uncle Sam.

For the sake of this discussion, I'm willing to grant that every American who is worth more than $50 billion should pay more in taxes than I do. Not just more total dollars, but I'll compromise my principles enough to tolerate the plank in the *Communist Manifesto* that calls for a *progressive* income tax being levied against them.

But for the rest of us, let's get real, as my kids would say. The canard that well-off Americans aren't paying "their fair share" is one of the biggest of the Big Lies that socialists have used for decades to foster the culture of envy that dominates almost all of our politics.

Let's look at the numbers to see what the truth really is. The last year for which the Internal Revenue Service (IRS) has released figures is 2007, so what follows is a bit out of date. But I can't imagine that the percentages have changed much in '08 and '09. Look at what the government's own figures show:

• The top 1 percent of taxpayers in this country pay 40.42 percent of all income taxes.

• For the top 5 percent, the percentage is even higher. The 7.1 million taxpayers who fit this description pay 60.63 percent of all Federal income taxes.

• The bigger the net, the greater the discrepancy. The top 25 percent of taxpayers (35.3 million of us) can take pride in knowing that we contribute 86.59 percent of federal taxes. And the top 50 percent (70.5 million of us) pay 97.11 of the total taxes collected.

In comparison, the bottom 50 percent of filers — some 70.5 million of Americans with any kind of income — pay a minuscule 2.89 percent of federal tax dollars.

By what possible rationale can anyone say that the "rich" in this country don't pay their fare share? You tell me. If the 71.22 percent that the top 10 percent in this country pay isn't "their fair share," then what is? I'd really like to know how you Obamaites (and yes, there are lots of you who read this column) justify urging government to confiscate more of our earnings.

Until next time, keep some powder dry.

***Chip Wood** was the first news editor of* The Review of the News *and also wrote for* American Opinion*, our two predecessor publications. He is now the geopolitical editor of* Personal Liberty Digest*, where his Straight Talk column appears twice a month. This article first appeared in PersonalLiberty.com and has been reprinted with permission.*