



Insight

White House Unaware that Millions Will Face Individual Mandate Tax Penalty

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On Tuesday afternoon, White House Press Secretary Josh Earnest, at his daily press briefing, was asked what the president's level of concern was for the millions of Americans who will be facing a new tax bill for having not purchased health insurance in 2014. Earnest's response was surprising: "I don't think it is accurate to suggest that millions of people are going to get a tax bill as a result of this (the Affordable Care Act or ACA)."

The question was referring to the ACA's [individual mandate](#) penalty which stipulates that failure to have health insurance in 2014 will generate a penalty of \$95 per person or 1 percent of household income, whichever is greater. This penalty will actually increase to \$325 per person or 2 percent of household income next year.

Earnest continued on to say "The impact that we are talking about here is very small" when referring to the number of people hit with the penalty. He also said "I don't know what statistic you are citing when it comes to millions, I don't think that is accurate at all."

Unfortunately for Mr. Earnest, [the administration's own Treasury Department forecast](#) that up to 6 million Americans would have to pay the fine in this year's tax returns. The administration's estimate even accounted for the up to 30 million people who would seek one of the several available exemptions. When [AAF examined the issue](#), the research found that over 5 million people would be liable to pay the fine, to the tune of \$5.8 billion in additional taxes. The Wall Street Journal writes of the Treasury Department's forecast: "About 2% to 4% of tax filers are expected to have to pay the fine for not having carried insurance." It is tough to imagine that the White House sees 6 million Americans as a "very small" group of taxpayers.