

House eyes new taxes as senators pare health bill

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FILE - In this April 2, 2009 file photo, Senate Finance Committee Chairman Sen. Max Baucus, D-Mont., left, and the committee's ranking Republican Sen. Charles Grassley, R-Iowa talk on Capitol Hill in Washington. (AP Photo/Susan Walsh, FILE)

(AP) -- House Democrats have lots of potential targets for higher taxes as they aim to expand health care coverage, from wealthy Americans and the nation's employers to anyone who pops the top on a soft drink.

Also under consideration are higher alcohol taxes, increases to the Medicare payroll tax and a value-added tax, a sort of national sales tax, of up to 1.5 percent or more.

The list of options being weighed by the tax-writing House Ways and

Means Committee, and obtained Thursday by The Associated Press, aims to raise some \$600 billion over 10 years to partially pay for President Barack Obama's goal of overhauling the nation's [health care system](#) to tame costs and cover the 50 million uninsured.

The final price tag for that effort could top \$1 trillion, with cuts to Medicare and Medicaid covering the rest of the cost.

The tax options include:

- Increasing the price of soda and other sugary drinks by 10 cents a can.
- Applying a potential 2 percent income tax increase to single taxpayers earning more than \$200,000 a year and households earning more than \$250,000.
- A new employer payroll tax could target 3 percent of employers' health care expenditures.
- Taxing employer-provided health insurance benefits above certain levels - a less likely option but one that still is in the running.

House Democrats planned to unveil a draft of their sweeping health care bill Friday. It would require all individuals to obtain health insurance and force employers to offer health care to their workers, with exemptions for small businesses. A new public [health insurance](#) plan, strongly opposed by Republicans, would compete with private companies within a new health care purchasing "exchange" where Americans could shop for coverage. Government subsidies would help the poor buy care.

The draft, being released at a news conference of the chairmen of the three committees with jurisdiction - Ways and Means, Energy and Commerce, and Education and Labor - was not expected to mention the

potentially unpopular tax options.

On the other side of the Capitol, two Senate committees were going in separate directions on their [health care](#) bills. The Health, Education, Labor and Pensions Committee spent a second full day working on an expansive bill reflecting Democratic priorities, while members of the Finance Committee were laboring to produce legislation that could attract Republican support.

To that end Finance Committee senators were looking at leaving a new public insurance plan out of their bill, instead creating nonprofit co-ops to offer insurance in competition with private companies, according to an outline obtained by The Associated Press. The co-ops could accept federal loans for startup operations, but would have to repay the money.

Struggling to pare their bill from an earlier \$1.6 trillion cost estimate to about \$1 trillion over 10 years, Finance Committee members also were looking at making federal subsidies available to help families with incomes of up to 300 percent of poverty, or \$66,000, purchase insurance. An earlier proposal set the level at 400 percent of poverty, or \$88,000.

Finance Committee Chairman Max Baucus, D-Mont., reviewed the plans behind closed doors Thursday with a group of senators he deemed "the coalition of the willing." Republicans present were top committee Republican Charles Grassley of Iowa, Orrin Hatch of Utah and Olympia Snowe of Maine.

"We're getting closer and closer," Baucus said during a break in the meeting. "There's no doubt in my mind we're going to have a bipartisan bill."

Sen. Christopher Dodd, D-Conn., who's presiding over the Health

Committee work session, dismissed bipartisanship as an end in itself.

"My goal here is to write a good bill. My goal is not bipartisanship," said Dodd, who has taken the committee reins in the absence of Sen. Edward M. Kennedy, D-Mass., who's being treated for brain cancer.

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