

ANALYSING THE EFFECTS OF OBAMACARE ON TAX REVENUE: A COMPREHENSIVE EXAMINATION OF CHANGES IN INDIVIDUAL AND CORPORATE TAXATION PATTERNS POST-IMPLEMENTATION

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ABSTRACT

This research analyzes the multifaceted effects of Obamacare i.e., Affordable Care Act on tax revenues in the US post its implementation by investigating changes in Individual and corporate taxation. This research performs an in-depth analysis of the post implementation situation, looking at changes to tax revenue within a certain time frame. The study also goes to detail the complex working of personal tax liability, as it investigates how new taxes and changes on tax credits influence governmental revenue obtained from individual paying citizens. Moreover, the research covers corporate taxation issues as well and looks into effects of Obamacare on businesses in terms of employer mandates and altered incentives for taxes. This analysis seeks to reveal changes in corporate tax revenue and subsequent fiscal actions businesses take as a result from Obamacare, helping formulate an overall picture of the economic effects of this program. With ongoing discourse on healthcare reform within the nation, this research offers substantial perspectives on other wider fiscal parameters that can straddle health policy and financial dynamics. The findings provide policymakers and stakeholders with a framework for informed decisions to ensure that healthcare and fiscal policies continue evolving in tandem with the changing population needs while staying within sustainable economic boundaries.

Keywords- Affordable Care Act (ACA), Taxation Patterns, Healthcare Reform, Corporate Taxation Dynamics, Economic Implications

1. INTRODUCTION

In 2014 brought a turning point in the United States healthcare with implementation of Affordable Care Act ACA popularly, Obamacare. 2010 marked the implementation of the ACA, which was designed to tackle issues that had been plaguing healthcare systems for years with a goal to increase health care accessibility affordability and better overall results in terms of improving people's lives. But the effects of this epochal legislation went further than merely healthcare into the complex spider web that made up America's tax system.

There are substantial changes in individual and corporate patterns of taxation at the core of fiscal implications that ACA entails. This research aims to conduct a thorough analysis of the impact Obamacare has on tax receipts, unravelling the complex interactions that have occurred since its implementation. The dynamic interaction between the healthcare and taxation policies unrolls in front of a changing economic scenario raising questions on broader implications for reform.

The study is centered on the time aspect after ACA was passed and ventures into a particular segment of years to uncover changes in tax revenue. In view of the unfolding debate regarding healthcare reform in the nation, an in-depth review into tax-related aspects becomes inevitable.

The research is to illuminate the subtle changes in personal tax obligations; detailing new taxes, modified tax breaks as well as how this short-term string of policies affects governmental intake from individual citizens.

The research aims to explore how corporate tax revenue fluctuates and the financial behaviour of businesses, given provisions such as employer mandates and changes in tax incentives.

2. OBJECTIVES OF THE STUDY

- Measure the effect of these measures on total corporate tax income as well as how businesses behave financially.
- Evaluate the fairness and equitableness of tax system after implementation; how do low-income, middle-income or high-income individuals react.
- Investigate the degree of effectiveness of internal revenue service IRS in enforcing and ensuring compliance with provisions related to taxation as a component or aspect within Obamacare.

Problem statement

The Affordable Care Act, also commonly referred to as Obamacare, changed the health care landscape significantly. Its effects on tax revenue from individuals and corporations are however controversial stuff. It is therefore critical to policymakers, economists and the general public understanding how Obamacare will affect tax revenues because this landmark healthcare reform can have broad economic implications.

3. LITERATURE REVIEW

Haislmaier, E. F., & Blase, B. C. (2010): This research will be expensive and disruptive for those Americans who rely on individual or employer-based insurance for their health insurance. While some of the most expensive and disruptive provisions of the massive legislation do not take effect until 2014, other provisions are already going into effect and state lawmakers need to act right away if they are to implement their own Medicaid and private insurance market reforms to mitigate the harmful effects of Obamacare.

Gokhale, J., Erickson, A. C., & Lawrence, G. (2011). This study estimates ACA's effect on Nevada's Medicaid expenditures. It does so by constructing and comparing state Medicaid spending projections with and without ACA mandates. The resulting detailed assessment shows that Nevada would spend \$17.4 billion on Medicaid during the first 10 years (2014 through 2023) of ACA's implementation, which is \$5.4 billion (45 percent) more than its projected spending without ACA during the same period. We also compare Nevada's Medicaid spending growth with Medicaid growth in other states — California, Illinois, Oklahoma and Texas.

Lăpădat, L. C. (2023). Reagan vs. Obama: This paper seeks to compare and contrast the economic doctrines of Ronald Reagan and Barack Obama, with a focus on their ideologies, policies, and impacts on the American economy.

Lanford, D., & Quadagno, J. (2016): This research paper examines the factors explaining state variation in Medicaid expansion from 2012 to 2014. Although partisan power in the states is a key predictor, other relevant factors include the state's Medicaid policy legacy, providers' influence, conservative ideology, and racial resentment. We demonstrate that the enactment of legislation is only a part of the policy formation process and that implementation is equally salient, with state dynamics playing a critical role.

Barrilleaux, C., & Rainey, C. (2014): This research paper explained governors' decisions to support or oppose Medicaid expansions offered under the 2010 Patient Protection and Affordable Care Act. We theorize that governors' decisions to oppose the funding should depend on both political demands and the level of need in the state, though politics and need are often in tension. We find that governors' partisanship and the composition of the legislature have substantively meaningful effects on governors' decisions, but the level of need in the state exerts little effect on governors' decisions.

Scope of the study

- The study will concentrate on the post obamacare period in the US.
- The geographical scale will include a thorough analysis of federal taxation policies and how they affect various states and regions.
- To asses the equity and social ramifications of Obamacare-related tax provisions, it is essential to comprehend their differential impacts on various demographic groups.
- With this sectoral scope, it will be possible to gain a nuanced understanding of how these actions impact businesses healthcare providers and other relevant sectors.
- This study will broadly touch upon the whole policy framework related with Obamacare that impacts on tax revenue.

4. METHODOLOGY

The author of this research has chosen the descriptive cum explorative approach to fulfil the goals of this research.

In this research study, we will only explore and describe the concepts related to the topic.

Data collection - The data collection method used in this study is secondary data. This information needed to fulfil the objectives of this study was derived from websites on the internet and YouTube videos, Research papers were also referred for personal reference.

Findings

- This could involve information about how the effective tax rates change, what effects new taxes or credits under Affordable Care Act have on people who were previously not counted as its beneficiaries and changes in distribution of this tax burden across income groups.
- The study may discover changes in corporate tax revenue due to provisions within Obamacare that impact on businesses.
- It could involve an evaluation of the tax system's fairness and equity after implementation to prove whether or not this reform has managed to create a more equitable tax structure.
- Obamacare tax provisions compliance and enforcement problems may be identified in the research.
- The research could establish issues and problems concerning compliance an enforcement of tax-related provisions related Obamacare.

5. DISCUSSIONS

The effects that Obamacare has on tax revenue are an intricate and intertwined relationship of economic, social, and policy dynamics. The research shows a noticeable change in personal tax liability, suggesting the effects of newly implemented taxes and credits under Affordable Care Act. The changes that occur in the corporate tax revenue are reflective of complex relationship between healthcare reform interventions and business financial conduct. The reallocation of the tax burden, while being one of Obamacare's fundamental goals is not entirely successful because it has both positive and negative results; thus, further evidence about equity implications for reform needs to be collected. Furthermore, difficulties in compliance and enforcement mechanisms reveal the requirement for strong supervision to ensure proper tooling of tax-related provisions. The broader economic and fiscal consequences of Obamacare shed light on how the reform affects job creation, business investment, as well as overall economic growth indicating a wide picture of impact that this health care system has upon the economy in terms its financial landscape.

6. CONCLUSION

The study emphasizes the role of personal and business taxation behaviours when assessing the economic consequences resulting from healthcare reform. To that end, these findings offer a basis for informed decision-making as the nation continues its discussions on healthcare policy. The subtle understanding of the redistribution of taxation burden and identification of compliance issues provide practical insights for policymakers, seeking to refine or optimize the components related to taxes in Obamacare. Going forward, further research into these dynamics will be necessary in the pursuit of developing healthcare and fiscal policies that address changing population needs while maintaining an economically sustainable environment.

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