



Will Christie volunteer you for ObamaCare's tax hikes

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This article was written by Michael F. Cannon, director of health policy studies at the Cato Institute. Because of time constraints I have not had time to ask his permission to repost it on CNJ, but since time is short to convince Governor Christie to veto this bill I will take my chances.

New Jersey's legislature has approved a [bill](#) to create a new government bureaucracy - a health insurance "exchange" - that would help implement ObamaCare's individual and employer mandates, among other atrocities. Gov. Chris Christie (R) has until May 10 to sign the bill or veto it. Otherwise, it becomes law without his signature. New Jersey would rue the day it created one of these tax-hungry bureaucracies.

Even if you support ObamaCare, there's no point in creating an exchange today when the Supreme Court could strike down the entire law as soon as next month. Illinois Democrats have put their exchange bill [on hold](#) until after the court issues its ruling, expected in late June.

But even if the Supremes uphold ObamaCare, there is no valid reason to create one of these things.

The proposed exchange would cost the state tens of millions of dollars per year. The bill raises that money by giving bureaucrats the power to tax all health insurance policies, without approval from the legislature. Every time Congress - or federal bureaucrats, or the state - heaps more requirements on the exchange, the bureaucrats can and will raise taxes again.

Supporters warn that if Trenton doesn't create an exchange for New Jersey, *the feds will*. But so what? ObamaCare gives federal bureaucrats a chokehold on New Jersey's health

insurance markets no matter who runs the exchange, because it requires state-run exchanges to do everything a federal exchange would do. ObamaCare has already stripped New Jersey of its sovereignty. The only question is, should New Jersey also pay for the privilege?

The bill before Christie would also subject the state to a second unnecessary tax: ObamaCare's employer mandate. If employers fail to offer a government-defined package of health benefits, ObamaCare whacks them with a tax of up to \$3,000 per employee. When you tax hiring, you get fewer jobs.

Due to an odd quirk in ObamaCare, however, that tax is only enforceable if a state creates an exchange itself. It disappears in states that don't create exchanges. What that means is that even though Trenton has the power to block the employer mandate, state legislators are actively trying to subject New Jersey employers to ObamaCare's nastiest tax.

But if state officials block this and future exchanges, New Jersey will be able to lure jobs away from other states. New York and Connecticut are actively implementing exchanges, and thereby volunteering to impose that tax on their employers. New Jersey could lure jobs away from those states with the promise of no employer mandate.

In fact, it's not an exaggeration to say that how New Jersey handles this legislation could determine whether ObamaCare lives or dies. ObamaCare can only work if states do the heavy lifting. Though the law authorizes the federal government to establish exchanges in states that don't, it provides zero funding for that purpose. And good luck getting any new ObamaCare funding past House Republicans.

New Jersey is under no obligation whatsoever to throw a lifeline to this unpopular, unworkable, and unconstitutional law. Why should state officials volunteer to implement it - and therefore to take the blame when it begins hurting people - when they lack the power to fix the problems it creates? Even if you support ObamaCare, why should the State of New Jersey have to pay to implement a federal law? Where would that end?

There are much more productive ways for state officials to spend their time. The legislature can make access to quality health care more affordable and secure by allowing insurance carriers and clinicians licensed by other states to do business in New Jersey. They can reduce the cost of care by giving patients and doctors the freedom to adopt their own medical malpractice reforms, such as caps on non-economic damages.

But when it comes to volunteering for unnecessary taxes, government bureaucracies, or other headaches, New Jersey should tell the feds: ObamaCare is your law. You implement it.

Michael F. Cannon is director of health policy studies at the Cato Institute and coauthor of Healthy Competition: What's Holding Back Health Care and How to Free It.