

Opinion



Mandatory Insurance: Yes, It's a Tax

By Jeff Jacoby

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It was a perfectly straightforward question. The answer was anything but.

President Obama vows not to raise taxes on any American family earning less than \$250,000 a year. Yet he backs legislation that would force every American to carry health insurance or pay a hefty penalty to the IRS. Such an "individual mandate" is included in all the major health care bills making their way through Congress, including the legislation unveiled by Senate Finance Committee Chairman Max Baucus last week. So when ABC's George Stephanopoulos interviewed the president on Sunday, he raised the obvious challenge:

"Under this mandate, the government is forcing people to spend money [to buy insurance], fining you if you don't. How is that not a tax?"

Obama replied that the individual mandate "is absolutely not a tax increase," since, in his view, there is good reason to impose it. He stuck to that position even when confronted with Merriam-Webster's definition of "tax" - "a charge, usually of money, imposed by authority on persons or property for public purposes."

"George," chided Obama, "the fact that you looked up Merriam's Dictionary . . . indicates to me that you're stretching a little bit right now."

But the only one "stretching" was the president, whose position was at odds with the legislation itself. "The consequence for not maintaining insurance would be an excise tax," notes the committee staff report on the Baucus bill. "The excise tax would be assessed through the tax code and applied as an additional amount of Federal tax owed."

Obama isn't the first politician to maintain that a mandate to buy health insurance isn't just another middle-class tax. Mitt Romney did so as governor of Massachusetts, boasting in 2006 that thanks to his signature health care law, "every uninsured citizen in Massachusetts will soon have affordable health insurance, and the costs of health care will be reduced. And we will need no new taxes . . . to make this happen." But isn't the penalty that law imposes on the uninsured - a penalty that this year will run as high as \$1,068 per person - a tax? Gosh, no, enthused Romney: "It's a personal responsibility principle."

Whatever it's called, it hasn't transformed Massachusetts into an Eden of universal coverage. According to the Department of Revenue, nearly 200,000 state taxpayers remained uninsured at the beginning of 2008. And the individual mandate hasn't made insurance in the Bay State more affordable: Massachusetts has the highest health insurance premiums in the nation.

Far from holding insurance costs down, "reform" in Massachusetts seems to have had the opposite effect. "Insurance premiums rose by 7.4 percent in 2007, 8-12 percent in 2008, and are expected to rise 9 percent this year," notes Michael Tanner of the Cato Institute. "By comparison, nationwide insurance costs rose by 6.1 percent in 2007, just 4.7 percent in 2008, and are projected to increase 6.4 percent this year."

However tempting it may seem, universal health coverage cannot be achieved by waving a legislative wand and ordering every citizen to buy insurance. Supporters of an individual health-insurance mandate

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