CITIZENS' COUNCIL FOR
Health Freedom
SECURING HEALTH FREEDOM FOR ALL

***** NEWS RELEASE *****

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Oklahoma Suit Against IRS Highlights Government Overreach of Affordable Care Act

Citizens' Council for Health Freedom Agrees with Oklahoma, States That IRS is Likely Overreaching Its Legitimate Power Through Affordable Care Act

Key Facts:

- The Oklahoma Attorney General amended his lawsuit against the IRS last week, alleging that new IRS rules associated with Obamacare are an overreach of federal power.
- The suit alleges that businesses and the state itself will be harmed by tax penalties that new rules allow the IRS to levy.
- The Citizens' Council for Health Freedom agrees and asserts that the IRS is likely overreaching its authority by going outside of the ACA law to levy taxes, thus expanding dependency of Americans on government programs, and creating fines for businesses based on consequent employee behavior.

ST. PAUL, Minn. – Oklahoma Attorney General Scott Pruitt filed an amended complaint to his lawsuit against the Affordable Care Act, alleging that a new IRS rule violates the Administrative Procedures Act and conflicts with the Affordable Care Act.

Though Oklahoma does not plan to create a state-based health insurance exchange, the federal government is allowed to implement an Exchange on behalf of the state, Now, the IRS has created new rules associated with the Affordable Care Act which were not properly vetted using the Administrative Procedures Act and may therefore be illegal. The ACA allows only state-based Exchanges to issue tax credits and premium subsidies, but the new IRS rules allow the federal Exchange to issue tax credits and premiums subsidies. According to the ***Citizens' Council for Health Freedom***, this administrative overreach threatens businesses in Oklahoma and around the country with significant tax increases.

Under these new rules, many large businesses would be put in jeopardy of having to pay large tax penalties for employees that choose to purchase premium-subsidized health insurance through the Federal Exchange or the federally-facilitated exchange. These penalties are, at their core, illegal, since the ACA does not allow for the levying of penalties or taxes against businesses whose employees participate in the federal exchange. The IRS rules allowing such taxes are outside of the ACA law and the associated taxes or penalties would be detrimental not only to individual businesses, but to the state as a whole as it seeks to retain a healthy economic environment that promotes growth in the private sector.

"Once again we see that through the Affordable Care Act, the federal government – this time through the IRS – is overstepping its bounds and essentially penalizing businesses for choices by employees that are out of the businesses' control and outside of statutory authority," said Twila Brase, President of the Citizens' Council for Health Freedom. "First, the government offers illegal premium subsidies on the Federally-run exchange to make exchange-based insurance products appear to be the best value on the market so that individuals voluntarily choose insurance from the exchange. Then, they illegally penalize businesses whose employees choose the less expensive insurance option."

And the existence of a Federal exchange imposed against a state's will promotes individual dependency on government subsidies, creating the impression that the government is allowing the IRS' overreach of power in order to promote its agenda of big government.

"When insurance premiums on exchange-based plans are later raised because government subsidies decrease or expire, an entire class of citizens will be dependent on the government for health insurance that it can no longer afford, and the private sector options will be greatly reduced based on the lack of business that occurs when the public exchanges are implemented and millions are on its rolls," said Brase. "What looks like a good deal now is actually an overreach of government and a lose-lose-lose proposition for citizens, states, and insurance providers."

According to the ***Citizens' Council for Health Freedom***, the best way to combat the Affordable Care Act as a whole is first, for states to refuse to implement their own health insurance exchanges. And when the government moves to deploy a federally run exchange, they must refuse to cooperate. Lawsuits such as the one in Oklahoma, if successful, will also limit the available funding for the federal government to implement its own exchange.

"The Affordable Care Act fight is not over," concluded Brase. "States must continue to refuse implementation of health insurance exchanges and then prevent as much federal implementation as possible through various state actions and lawsuits similar to Oklahoma's in order to protect both their citizens and their local budgets and economies."

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