



PLF NEWS RELEASE

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PLF will press ahead with “Origination Clause” challenge to Obamacare

Washington, D.C.; July 29, 2014: Pacific Legal Foundation (PLF) pledged today to move ahead in PLF’s constitutional challenge to the Affordable Care Act (ACA) — *i.e.*, Obamacare — which is based on the fact that Obamacare’s individual mandate “tax” started in the Senate, not in the House of Representatives, as required by the Constitution’s “Origination Clause” (Article 1, Section 7). That argument was rejected by a three-judge panel of the D.C. Circuit Court of Appeals today.

PLF Principal Attorney Timothy Sandefur issued this statement today:

“We expected that either side in this case would appeal, and eventually this case will likely have to go to the Supreme Court,” said PLF Principal Attorney Timothy Sandefur. “PLF’s challenge to Obamacare involves fundamental constitutional principles and protections for all taxpayers, and for everyone who is covered by the tax and regulatory burdens of Obamacare. Americans may not be subjected to new taxes by the federal government if those taxes don’t start in the House, the chamber closest to the people. That’s the principle underlying our lawsuit, and it’s so basic to our constitutional framework that the case ultimately deserves a judgment by the nation’s highest court.

“Today’s decision is disappointing, because it relied on a new and unprecedented distinction to exempt the Obamacare tax from the Constitution’s rules for enacting taxes. The judges adopted a vague ‘general purpose’ test for deciding which taxes have to start in the House and which do not. But the Constitution makes no such distinction, and neither does Supreme Court precedent. The precedents say that the only kinds of taxes that don’t have to originate in the House are penalties or fines. But the Supreme Court itself ruled in 2012 that Obamacare’s individual mandate is not a penalty or a fine. So the Origination Clause should therefore apply. The D.C. Circuit for the first time holds that judges can decide for themselves what the ‘main object or aim’ of a tax is, and then pick and choose whether the constitutional rules on the enactment of new taxation should apply. We think that’s wrong, and that’s what we’ll be taking to the Supreme Court if necessary.”

(more)

Obamacare raises taxes massively — and unconstitutionally

PLF’s lawsuit focuses on Obamacare’s individual mandate, which requires Americans to buy a federally prescribed insurance plan or pay a fee. In its 2012 ruling that upheld Obamacare against a Commerce Clause challenge, the U.S. Supreme Court labeled the individual mandate as a “tax.” Indeed, according to Congress’s Joint Committee on Taxation (JCT), more than a dozen revenue-related planks in Obamacare — including the individual mandate — collectively will impose more than \$800 billion in new levies. The individual mandate alone amounts to a \$54 billion tax on individuals over ten years, and \$113 billion on businesses, according to the JCT.

Yet Obamacare was not enacted in compliance with constitutional procedures for raising taxes. Article I, Section 7, requires that legislation to raise revenue must start in the House, in order to keep the taxing power close to the people. But Obamacare began in the Senate. Majority Leader Harry Reid took an unrelated House bill (a measure to help veterans buy homes, which raised no revenue), gutted it, and inserted the language of Obamacare.

PLF’s lawsuit aims to take down *all* of Obamacare

PLF’s lawsuit takes on the ACA in its entirety. “Because the individual mandate is central to the design of Obamacare, we’re asking that the entire law be struck down,” said Sandefur.

Plaintiff Matt Sissel: a small business owner who loves liberty

Matt Sissel, the plaintiff in this constitutional challenge to Obamacare, is a small business owner who chooses to pay medical expenses on his own. He objects on financial, philosophical, and constitutional grounds to being ordered to purchase a health plan he does not need or want.

A self-employed artist, Matt spent two years in Iraq as a combat medic with the Iowa Army National Guard. During his second year he also helped train and advise the Iraqi military. He received the Bronze Star for his service.

The case is *Sissel v. U.S. Department of Health & Human Services*. PLF’s briefs, a litigation backgrounder, video, and a podcast may be found at PLF’s website: www.pacificlegal.org.

About Pacific Legal Foundation

Donor-supported Pacific Legal Foundation is a watchdog organization that litigates for limited government, property rights, individual rights, and free enterprise, in courts nationwide. PLF represents Matt Sissel, as with the clients in all of our cases, without charging attorneys’ fees.

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