

114TH CONGRESS  
2D SESSION

# S. 3251

To amend the Internal Revenue Code of 1986 to provide an exemption to the individual mandate to maintain health coverage for certain individuals whose premium has increased by more than 10 percent, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JULY 14, 2016

Mr. COTTON (for himself, Ms. AYOTTE, Mr. McCAIN, Mr. LANKFORD, Mr. JOHNSON, and Mr. BURR) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide an exemption to the individual mandate to maintain health coverage for certain individuals whose premium has increased by more than 10 percent, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Relief from Obamacare  
5 Mandate Act of 2016”.

1 **SEC. 2. MODIFICATIONS TO EXEMPTION TO REQUIREMENT**  
2 **TO MAINTAIN HEALTH COVERAGE.**

3 (a) EXEMPTION FOR INDIVIDUALS WITH EXCESSIVE  
4 PREMIUM INCREASES.—Section 5000A(e) of the Internal  
5 Revenue Code of 1986 is amended by adding at the end  
6 the following new paragraph:

7 “(6) INDIVIDUALS WITH EXCESSIVE PREMIUM  
8 INCREASES.—Any applicable individual for any  
9 month during a calendar year if such applicable indi-  
10 vidual resides in a State in which either—

11 “(A) the average premium for self-only  
12 coverage for the second lowest cost silver plan  
13 within the State for such calendar year is more  
14 than 10 percent greater than the average pre-  
15 mium for self-only coverage for the second low-  
16 est cost silver plan within the State for the pre-  
17 ceding calendar year, or

18 “(B) the average premium for family cov-  
19 erage for the second lowest cost silver plan  
20 within the State for such calendar year is more  
21 than 10 percent greater than the average pre-  
22 mium for family coverage for the second lowest  
23 cost silver plan within the State for the pre-  
24 ceding calendar year.”.

1 (b) MODIFICATION OF RULES FOR DETERMINING  
 2 AFFORDABILITY.—Section 5000A(e)(1)(B)(ii) is amend-  
 3 ed—

4 (1) by inserting “the sum of” before “the an-  
 5 nual premium for the lowest cost bronze plan”, and

6 (2) by inserting “and the maximum annual de-  
 7 ductible for such plan” after “through the Ex-  
 8 change)”.

9 (c) EFFECTIVE DATE.—The amendments made by  
 10 this section shall apply to months beginning after the date  
 11 of the enactment of this Act.

12 **SEC. 3. REPEAL OF DISTRIBUTIONS FOR MEDICINE QUALI-**  
 13 **FIED ONLY IF FOR PRESCRIBED DRUG OR IN-**  
 14 **SULIN.**

15 (a) HSAS.—Subparagraph (A) of section 223(d)(2)  
 16 of the Internal Revenue Code of 1986 is amended by strik-  
 17 ing the last sentence.

18 (b) ARCHER MSAS.—Subparagraph (A) of section  
 19 220(d)(2) of the Internal Revenue Code of 1986 is amend-  
 20 ed by striking the last sentence.

21 (c) HEALTH FLEXIBLE SPENDING ARRANGEMENTS  
 22 AND HEALTH REIMBURSEMENT ARRANGEMENTS.—Sec-  
 23 tion 106 of the Internal Revenue Code of 1986 is amended  
 24 by striking subsection (f).

25 (d) EFFECTIVE DATES.—

1           (1) DISTRIBUTIONS FROM SAVINGS AC-  
2           COUNTS.—The amendments made by subsections (a)  
3           and (b) shall apply to amounts paid with respect to  
4           taxable years beginning after December 31, 2015.

5           (2) REIMBURSEMENTS.—The amendment made  
6           by subsection (c) shall apply to expenses incurred  
7           with respect to taxable years beginning after Decem-  
8           ber 31, 2016.

9   **SEC. 4. REPEAL OF LIMITATION ON HEALTH FLEXIBLE**  
10                   **SPENDING ARRANGEMENTS UNDER CAFE-**  
11                   **TERIA PLANS.**

12           (a) IN GENERAL.—Section 125 of the Internal Rev-  
13           enue Code of 1986 is amended—

14                   (1) by striking subsection (i), and

15                   (2) by redesignating subsections (j), (k), and (l)  
16           as subsections (i), (j), and (k), respectively.

17           (b) EFFECTIVE DATE.—The amendments made by  
18           this section shall apply to taxable years beginning after  
19           December 31, 2016.

20   **SEC. 5. REPEAL OF TAX ON HEALTH SAVINGS ACCOUNTS.**

21           (a) HSAs.—Section 223(f)(4)(A) of the Internal  
22           Revenue Code of 1986 is amended by striking “20 per-  
23           cent” and inserting “10 percent”.

1           (b) ARCHER MSAS.—Section 220(f)(4)(A) of the In-  
2 ternal Revenue Code of 1986 is amended by striking “20  
3 percent” and inserting “15 percent”.

4           (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to distributions made after Decem-  
6 ber 31, 2016.

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