

115TH CONGRESS
1ST SESSION

S. 1967

To amend the Internal Revenue Code of 1986 to provide additional exemptions to the individual mandate, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 17, 2017

Mr. COTTON (for himself and Mr. TOOMEY) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide additional exemptions to the individual mandate, 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 “Mandate Relief Act
5 of 2017”.

6 **SEC. 2. MODIFICATIONS TO EXEMPTION TO REQUIREMENT**
7 **TO MAINTAIN HEALTH COVERAGE.**

8 (a) EXEMPTION FOR INDIVIDUALS WITH A HOUSE-
9 HOLD INCOME LESS THAN THE NATIONAL MEDIAN AND
10 FOR INDIVIDUALS WITH EXCESSIVE PREMIUM IN-

1 CREASES.—Section 5000A(e) of the Internal Revenue
2 Code of 1986 is amended by striking paragraphs (1) and
3 (2) and inserting the following:

4 “(1) INDIVIDUALS WITH HOUSEHOLD INCOMES
5 BELOW THE NATIONAL MEDIAN.—Any applicable in-
6 dividual for any month if the applicable individual
7 has a household income for the taxable year which
8 is less than the national median household income
9 for the most recent calendar year.

10 “(2) INDIVIDUALS WITH EXCESSIVE PREMIUM
11 INCREASES.—Any applicable individual for any
12 month during a calendar year if such applicable indi-
13 vidual resides in a State in which either—

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

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

1 cost silver plan within the State for the pre-
2 ceding calendar year.”.

3 (b) ADDITIONAL EXEMPTIONS.—Section 5000A(e) of
4 the Internal Revenue Code of 1986 is amended by adding
5 at the end the following new paragraph:

6 “(6) INDIVIDUALS IN AREAS WITH FEWER
7 THAN 2 ISSUERS OFFERING PLANS ON AN EX-
8 CHANGE.—

9 “(A) IN GENERAL.—Any applicable indi-
10 vidual for any period during a calendar year if
11 there are fewer than 2 health insurance issuers
12 offering qualified health plans on an Exchange
13 for such period in the county in which the ap-
14 plicable individual resides.

15 “(B) AGGREGATION RULES.—For purposes
16 of subparagraph (A), all health insurance
17 issuers treated as a single employer under sub-
18 section (a) or (b) of section 52, or subsection
19 (m) or (o) of section 414, shall be treated as a
20 single health insurance issuer.”.

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

1 **SEC. 3. REPEAL OF DISTRIBUTIONS FOR MEDICINE QUALI-**
2 **FIED ONLY IF FOR PRESCRIBED DRUG OR IN-**
3 **SULIN.**

4 (a) HSAs.—Subparagraph (A) of section 223(d)(2)
5 of the Internal Revenue Code of 1986 is amended by strik-
6 ing the last sentence.

7 (b) ARCHER MSAs.—Subparagraph (A) of section
8 220(d)(2) of the Internal Revenue Code of 1986 is amend-
9 ed by striking the last sentence.

10 (c) HEALTH FLEXIBLE SPENDING ARRANGEMENTS
11 AND HEALTH REIMBURSEMENT ARRANGEMENTS.—Sec-
12 tion 106 of the Internal Revenue Code of 1986 is amended
13 by striking subsection (f).

14 (d) EFFECTIVE DATES.—

15 (1) DISTRIBUTIONS FROM SAVINGS AC-
16 COUNTS.—The amendments made by subsections (a)
17 and (b) shall apply to amounts paid with respect to
18 taxable years beginning after December 31, 2016.

19 (2) REIMBURSEMENTS.—The amendment made
20 by subsection (c) shall apply to expenses incurred
21 with respect to taxable years beginning after Decem-
22 ber 31, 2017.

1 **SEC. 4. REPEAL OF LIMITATION ON HEALTH FLEXIBLE**
2 **SPENDING ARRANGEMENTS UNDER CAFE-**
3 **TERIA PLANS.**

4 (a) **IN GENERAL.**—Section 125 of the Internal Rev-
5 enue Code of 1986 is amended—

6 (1) by striking subsection (i); and

7 (2) by redesignating subsections (j), (k), and (l)
8 as subsections (i), (j), and (k), respectively.

9 (b) **EFFECTIVE DATE.**—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2017.

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

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

16 (b) **ARCHER MSAs.**—Section 220(f)(4)(A) of the In-
17 ternal Revenue Code of 1986 is amended by striking “20
18 percent” and inserting “15 percent”.

19 (c) **EFFECTIVE DATE.**—The amendments made by
20 this section shall apply to distributions made after Decem-
21 ber 31, 2017.

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