

Calendar No. 44

114TH CONGRESS
1ST SESSION**S. 910****[Report No. 114–21]**

To amend the Internal Revenue Code of 1986 to clarify the special rules for accident and health plans of certain governmental entities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 14, 2015

Mr. HATCH, from the Committee on Finance, reported the following original bill; which was read twice and placed on the calendar

A BILL

To amend the Internal Revenue Code of 1986 to clarify the special rules for accident and health plans of certain governmental entities, 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. CLARIFICATION OF SPECIAL RULE FOR CER-**
4 **TAIN GOVERNMENTAL PLANS.**

5 (a) IN GENERAL.—Paragraph (1) of section 105(j)
6 of the Internal Revenue Code of 1986 is amended—

1 (1) by striking “the taxpayer” and inserting “a
2 qualified taxpayer”, and

3 (2) by striking “deceased plan participant’s
4 beneficiary” and inserting “deceased employee’s ben-
5 eficiary (other than an individual described in para-
6 graph (3)(B))”.

7 (b) QUALIFIED TAXPAYER.—Subsection (j) of section
8 105 of the Internal Revenue Code of 1986 is amended by
9 adding at the end the following new paragraph:

10 “(3) QUALIFIED TAXPAYER.—For purposes of
11 paragraph (1), with respect to an accident or health
12 plan described in paragraph (2), the term ‘qualified
13 taxpayer’ means a taxpayer who is—

14 “(A) an employee, or

15 “(B) the spouse, dependent (as defined for
16 purposes of subsection (b)), or child (as defined
17 for purposes of such subsection) of an em-
18 ployee.”.

19 (c) APPLICATION TO POLITICAL SUBDIVISIONS OF
20 STATES.—Paragraph (2) of section 105(j) of the Internal
21 Revenue Code of 1986 is amended—

22 (1) by inserting “or established by or on behalf
23 of a State or political subdivision thereof” after
24 “public retirement system”, and

1 (2) by inserting “or 501(c)(9)” after “section
2 115” in subparagraph (B).

3 (d) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to payments after the date of the
5 enactment of this Act.

6 **SEC. 2. INCREASE IN CONTINUOUS LEVY FOR MEDICARE**
7 **PROVIDERS AND SUPPLIERS.**

8 (a) **IN GENERAL.**—Paragraph (3) of section 6331(h)
9 of the Internal Revenue Code of 1986 is amended by strik-
10 ing “30 percent” and inserting “35 percent”.

11 (b) **EFFECTIVE DATE.**—The amendment made by
12 this section shall apply to payments made after 180 days
13 after the date of the enactment of this Act.

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