

106TH CONGRESS  
2D SESSION

# H. R. 4234

To amend the Internal Revenue Code of 1986 to allow individuals who have attained age 65 a credit against income tax for certain drug and health insurance expenses.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 11, 2000

Mr. FOLEY introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow individuals who have attained age 65 a credit against income tax for certain drug and health insurance expenses.

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 “Prescription Drug As-  
5       sistance Act of 2000”.

1 **SEC. 2. CREDIT FOR CERTAIN DRUG AND HEALTH INSUR-**  
 2 **ANCE EXPENSES OF INDIVIDUALS WHO HAVE**  
 3 **ATTAINED AGE 65.**

4 (a) IN GENERAL.—Subpart A of part IV of sub-  
 5 chapter A of chapter 1 of the Internal Revenue Code of  
 6 1986 (relating to nonrefundable personal credits) is  
 7 amended by inserting after section 25A the following new  
 8 section:

9 **“SEC. 25B. CERTAIN DRUG AND HEALTH INSURANCE EX-**  
 10 **PENSES OF INDIVIDUALS WHO HAVE AT-**  
 11 **TAINED AGE 65.**

12 “(a) IN GENERAL.—In the case of an eligible indi-  
 13 vidual, there shall be allowed as a credit against the tax  
 14 imposed by this chapter an amount equal to the qualified  
 15 expenses of such individual for the taxable year.

16 “(b) LIMITATIONS.—

17 “(1) DOLLAR LIMITATION.—The credit allowed  
 18 by this section shall not exceed \$500 (\$1,000 in the  
 19 case of a joint return filed by individuals both of  
 20 whom are eligible individuals).

21 “(2) LIMITATION BASED ON ADJUSTED GROSS  
 22 INCOME.—The amount of the credit which would  
 23 (but for this paragraph) be allowed under subsection  
 24 (a) for the taxable year shall be reduced (but not  
 25 below zero) by an amount which bears the same  
 26 ratio to such amount of credit as—

1 “(A) the excess of—

2 “(i) the taxpayer’s adjusted gross in-  
3 come for such taxable year, over

4 “(ii) \$60,000 (\$120,000 in the case of  
5 a joint return), bears to

6 “(B) \$10,000 (\$20,000 in the case of a  
7 joint return).

8 Any amount determined under the preceding sen-  
9 tence which is not a multiple of \$10 shall be round-  
10 ed to the next lowest \$10.

11 “(c) DEFINITIONS.—For purposes of this section—

12 “(1) ELIGIBLE INDIVIDUAL.—The term ‘eligible  
13 individual’ means any individual who has attained  
14 age 65 as of the close of the taxable year.

15 “(2) QUALIFIED EXPENSES.—The term ‘quali-  
16 fied expenses’ means amounts paid by the taxpayer  
17 during the taxable year for—

18 “(A) any drug which is prescribed for an  
19 eligible individual who is the taxpayer or the  
20 taxpayer’s spouse, and

21 “(B) coverage of an eligible individual who  
22 is the taxpayer or the taxpayer’s spouse  
23 under—

24 “(i) a medicare supplemental policy  
25 under section 1882 of the Social Security

1 Act which provides any coverage of pre-  
2 scription drugs, or

3 “(ii) a Medicare+Choice plan under  
4 part C of title XVIII of such Act which  
5 provides any coverage of prescription  
6 drugs.

7 “(d) DENIAL OF DOUBLE BENEFIT.—The amounts  
8 otherwise taken into account under sections 162(l) and  
9 213 shall be reduced by the amount of the credit allowed  
10 under this section.”

11 (b) CLERICAL AMENDMENT.—The table of sections  
12 for subpart A of part IV of subchapter A of chapter 1  
13 of such Code is amended by inserting after the item relat-  
14 ing to section 25A the following new item:

“Sec. 25B. Certain drug and health insurance expenses of individ-  
uals who have attained age 65.”

15 (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to taxable years beginning after  
17 December 31, 2000.

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