

108TH CONGRESS
1ST SESSION

H. R. 1466

To amend the Internal Revenue Code of 1986 to reduce the health insurance costs for family coverage of military reservists called to active duty.

IN THE HOUSE OF REPRESENTATIVES

MARCH 27, 2003

Mr. CAPUANO (for himself, Mr. JONES of North Carolina, Mr. EVANS, Ms. LEE, Mr. MEEHAN, Mr. FRANK of Massachusetts, Mrs. MCCARTHY of New York, Mr. RYAN of Ohio, Mrs. JONES of Ohio, Mr. OLVER, and Mr. MARKEY) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to reduce the health insurance costs for family coverage of military reservists called to active duty.

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 “Mobilized Reserve
5 Family Health Care Act of 2003”.

1 **SEC. 2. REDUCED HEALTH INSURANCE COSTS FOR FAMILY**
2 **COVERAGE OF MILITARY RESERVISTS**
3 **CALLED TO ACTIVE DUTY.**

4 (a) REFUNDABLE CREDIT FOR COSTS UP TO
5 TRICARE COSTS.—

6 (1) IN GENERAL.—Subpart C of part IV of sub-
7 chapter A of chapter 1 of the Internal Revenue Code
8 of 1986 (relating to refundable credits) is amended
9 by inserting after section 35 the following new sec-
10 tion:

11 **“SEC. 35A. CERTAIN FAMILY COVERAGE HEALTH INSUR-**
12 **ANCE COSTS OF MILITARY RESERVISTS**
13 **CALLED TO ACTIVE DUTY.**

14 “(a) IN GENERAL.—In the case of an eligible indi-
15 vidual, there shall be allowed as a credit against the tax
16 imposed by this subtitle an amount equal to the amount
17 paid during the taxable year by the taxpayer for insurance
18 which constitutes medical care for the taxpayer and the
19 taxpayer’s spouse and dependents.

20 “(b) LIMITATIONS.—

21 “(1) CREDIT LIMITED TO TRICARE COSTS.—
22 The credit allowed by subsection (a) for any period
23 shall not exceed an amount equal to the premium-
24 equivalent of the family coverage cost of coverage
25 under TRICARE for such period.

1 “(2) LIMITATION TO COVERAGE DURING ACTIVE
2 DUTY PERIOD.—The credit allowed by subsection (a)
3 shall apply only to amounts paid for coverage during
4 the period referred to in subsection (c)(2).

5 “(3) SELF-ONLY COVERAGE FOR RESERVIST
6 NOT INCLUDED.—The credit allowed by subsection
7 (a) shall not apply to self-only coverage for the eligi-
8 ble individual.

9 “(c) ELIGIBLE INDIVIDUAL.—For purposes of this
10 section, the term ‘eligible individual’ means any indi-
11 vidual—

12 “(1) who, as a member of the National Guard
13 or a reserve component of an Armed Force of the
14 United States, has been called or ordered to active
15 duty for a period in excess of 30 days or for an in-
16 definite period, and

17 “(2) who elects that such individual and all
18 other individuals who would (but for the election) be
19 covered by TRICARE will not be so covered during
20 the period beginning on the date of such call or
21 order and ending on the last day of such active duty.

22 “(d) DENIAL OF DOUBLE BENEFIT.—Amounts al-
23 lowed as a credit under this section shall not be taken
24 into account in determining the amount of any deduction
25 or other credit under this chapter.”

1 (2) CONFORMING AMENDMENTS.—

2 (A) Paragraph (2) of section 1324(b) of
3 title 31, United States Code, is amended by in-
4 serting before the period “, or from section 35A
5 of such Code”.

6 (B) The table of sections for subpart C of
7 part IV of subchapter A of chapter 1 of the In-
8 ternal Revenue Code of 1986 is amended by in-
9 serting after the item relating to section 35 the
10 following new item:

“Sec. 35A. Certain family coverage health insurance costs of mili-
tary reservists called to active duty.”.

11 (b) DEDUCTION FOR COSTS IN EXCESS OF
12 TRICARE COSTS.—

13 (1) IN GENERAL.—Part VII of subchapter B of
14 chapter 1 of such Code (relating to additional
15 itemized deductions for individuals) is amended by
16 redesignating section 223 as section 224 and by in-
17 serting after section 222 the following new section:

18 **“SEC. 223. CERTAIN FAMILY COVERAGE HEALTH INSUR-**
19 **ANCE COSTS OF MILITARY RESERVISTS**
20 **CALLED TO ACTIVE DUTY.**

21 “(a) ALLOWANCE OF DEDUCTION.—In the case of an
22 eligible individual (as defined in section 35A(c)), there
23 shall be allowed as a deduction an amount equal to the
24 amount paid during the taxable year by the taxpayer for

1 insurance which constitutes medical care for the taxpayer
2 and the taxpayer's spouse and dependents.

3 “(b) LIMITATION TO COVERAGE DURING ACTIVE
4 DUTY PERIOD.—The deduction under this section shall
5 apply only to amounts paid for coverage during the period
6 referred to in section 35A(c)(2).

7 “(c) SPECIAL RULES.—

8 “(1) SELF-ONLY COVERAGE FOR RESERVIST
9 NOT INCLUDED.—The deduction under this section
10 shall not apply to self-only coverage for the eligible
11 individual.

12 “(2) OTHER RULES TO APPLY.—Rules similar
13 to the rules of paragraphs (3), (4), and (5) of sec-
14 tion 162(l) shall apply for purposes of this section.”

15 (2) DEDUCTION ALLOWED WHETHER OR NOT
16 INDIVIDUAL ITEMIZES OTHER DEDUCTIONS.—Sub-
17 section (a) of section 62 of such Code is amended
18 by inserting after paragraph (18) the following new
19 paragraph:

20 “(19) CERTAIN FAMILY COVERAGE HEALTH IN-
21 SURANCE COSTS OF MILITARY RESERVISTS CALLED
22 TO ACTIVE DUTY.—The deduction allowed by section
23 223.”

24 (3) CLERICAL AMENDMENT.—The table of sec-
25 tions for part VII of subchapter B of chapter 1 of

1 such Code is amended by striking the last item and
2 inserting the following new items:

 “Sec. 223. Certain family coverage health insurance costs of military reservists called to active duty.

 “Sec. 224. Cross reference.”

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2002.

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