

113TH CONGRESS
1ST SESSION

H. R. 1578

To amend section 1101 of the Patient Protection and Affordable Care Act to provide additional funds to permit additional individuals to enroll under the preexisting condition insurance program and expand eligibility, to be funded through a temporary increase in the cigarette tax, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 16, 2013

Mr. PALLONE (for himself, Mr. WAXMAN, Mr. TONKO, Ms. SCHAKOWSKY, Mr. GENE GREEN of Texas, Mr. RUSH, Ms. MATSUI, Mrs. CAPPS, and Mrs. CHRISTENSEN) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend section 1101 of the Patient Protection and Affordable Care Act to provide additional funds to permit additional individuals to enroll under the preexisting condition insurance program and expand eligibility, to be funded through a temporary increase in the cigarette tax, 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,*

1 **SECTION 1. EXTENSION OF FUNDING FOR REOPENING EN-**
2 **ROLLMENT UNDER THE PREEXISTING CONDI-**
3 **TION INSURANCE PROGRAM.**

4 (a) IN GENERAL.—Subsection (g)(1) of section 1101
5 of the Patient Protection and Affordable Care Act (42
6 U.S.C. 18001) is amended by striking “Such funds” and
7 inserting the following: “In addition to the funds appro-
8 priated under the previous sentence, there is appropriated
9 to the Secretary, out of any moneys in the Treasury not
10 otherwise appropriated, \$2,800,000,000 to pay claims
11 (and administrative costs) described in such sentence.
12 Funds appropriated under this paragraph”.

13 (b) REOPENING PROGRAM ENROLLMENT.—The Sec-
14 retary of Health and Human Services shall resume taking
15 applications for participation under the temporary high-
16 risk health insurance program under such section 1101,
17 but only to the extent consistent with the limitation im-
18 posed under subsection (g)(4) of such section.

19 (c) CONSTRUCTION.—Nothing in this section shall be
20 construed as changing the application of subsection (g)(3)
21 of such section (relating to termination of authority).

22 **SEC. 2. IMMEDIATE ACCESS TO HEALTH CARE FOR SICK**
23 **AMERICANS.**

24 (a) IN GENERAL.—Section 1101(d) of the Patient
25 Protection and Affordable Care Act (42 U.S.C. 18001(d))
26 is amended—

1 (1) in paragraph (1), by adding at the end
2 “and”;
3 (2) by striking paragraph (2); and
4 (3) by redesignating paragraph (3) as para-
5 graph (2).

6 (b) EFFECTIVE DATE.—The amendments made by
7 subsection (a) shall apply with respect to individuals ap-
8 plying for coverage through the high risk insurance pool
9 program on or after the date of the enactment of this Act.

10 **SEC. 3. INCREASE IN RATE OF EXCISE TAX ON CIGARETTES.**

11 (a) IN GENERAL.—Section 5701(b)(1) of the Internal
12 Revenue Code of 1986 is amended by inserting “(\$52.33
13 per thousand in the case of cigarettes removed after De-
14 cember 31, 2013 and before January 1, 2024)” after
15 “\$50.33 per thousand”.

16 (b) FLOOR STOCKS TAXES.—

17 (1) IMPOSITION OF TAX.—On cigarettes de-
18 scribed in section 5701(b)(1) of the Internal Rev-
19 enue Code of 1986 manufactured in or imported into
20 the United States which are removed before January
21 1, 2014, and held on such date for sale by any per-
22 son, there is hereby imposed a tax in an amount
23 equal to the excess of—

1 (A) the tax which would be imposed under
2 section 5701 of such Code on the article if the
3 article had been removed on such date, over

4 (B) the prior tax (if any) imposed under
5 section 5701 of such Code on such article.

6 (2) CREDIT AGAINST TAX.—Each person shall
7 be allowed as a credit against the taxes imposed by
8 paragraph (1) an amount equal to \$500. Such credit
9 shall not exceed the amount of taxes imposed by
10 paragraph (1) on January 1, 2014, for which such
11 person is liable.

12 (3) LIABILITY FOR TAX AND METHOD OF PAY-
13 MENT.—

14 (A) LIABILITY FOR TAX.—A person hold-
15 ing cigarettes referred to in paragraph (1) on
16 January 1, 2014, to which any tax imposed by
17 paragraph (1) applies shall be liable for such
18 tax.

19 (B) METHOD OF PAYMENT.—The tax im-
20 posed by paragraph (1) shall be paid in such
21 manner as the Secretary shall prescribe by reg-
22 ulations.

23 (C) TIME FOR PAYMENT.—The tax im-
24 posed by paragraph (1) shall be paid on or be-
25 fore May 1, 2014.

1 (4) ARTICLES IN FOREIGN TRADE ZONES.—
2 Notwithstanding the Act of June 18, 1934 (com-
3 monly known as the Foreign Trade Zone Act, 48
4 Stat. 998, 19 U.S.C. 81a et seq.) or any other provi-
5 sion of law, any article which is located in a foreign
6 trade zone on July 1, 2013, shall be subject to the
7 tax imposed by paragraph (1) if—

8 (A) internal revenue taxes have been deter-
9 mined, or customs duties liquidated, with re-
10 spect to such article before such date pursuant
11 to a request made under the 1st proviso of sec-
12 tion 3(a) of such Act, or

13 (B) such article is held on such date under
14 the supervision of an officer of the United
15 States Customs and Border Protection of the
16 Department of Homeland Security pursuant to
17 the 2d proviso of such section 3(a).

18 (5) DEFINITIONS.—For purposes of this sub-
19 section—

20 (A) IN GENERAL.—Any term used in this
21 subsection which is also used in section 5702 of
22 the Internal Revenue Code of 1986 shall have
23 the same meaning as such term has in such
24 section.

1 (B) SECRETARY.—The term “Secretary”
2 means the Secretary of the Treasury or the
3 Secretary’s delegate.

4 (6) CONTROLLED GROUPS.—Rules similar to
5 the rules of section 5061(e)(3) of such Code shall
6 apply for purposes of this subsection.

7 (7) OTHER LAWS APPLICABLE.—All provisions
8 of law, including penalties, applicable with respect to
9 the taxes imposed by section 5701 of such Code
10 shall, insofar as applicable and not inconsistent with
11 the provisions of this subsection, apply to the floor
12 stocks taxes imposed by paragraph (1), to the same
13 extent as if such taxes were imposed by such section
14 5701. The Secretary may treat any person who bore
15 the ultimate burden of the tax imposed by para-
16 graph (1) as the person to whom a credit or refund
17 under such provisions may be allowed or made.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to articles removed (as defined in
20 section 5702(j) of the Internal Revenue Code of 1986)
21 after December 31, 2013.

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