

114TH CONGRESS
1ST SESSION

H. R. 117

To amend the Internal Revenue Code of 1986 to repeal the mandate that individuals purchase health insurance.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 2015

Mr. GARRETT 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 repeal the mandate that individuals purchase health insurance.

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 “Reclaiming Individual
5 Liberty Act”.

6 **SEC. 2. REPEAL OF INDIVIDUAL HEALTH INSURANCE MAN-**
7 **DATE.**

8 (a) IN GENERAL.—Chapter 48 of the Internal Rev-
9 enue Code of 1986 is hereby repealed.

1 (b) CONFORMING AMENDMENTS TO THE INTERNAL
2 REVENUE CODE OF 1986.—

3 (1) Section 36B(c)(2)(B) of such Code is
4 amended to read as follows:

5 “(B) EXCEPTION FOR MINIMUM ESSEN-
6 TIAL COVERAGE.—The term ‘coverage month’
7 shall not include any month with respect to an
8 individual if for such month the individual is el-
9 igible for minimum essential coverage other
10 than eligibility for coverage described in sub-
11 section (g)(1)(C) (relating to coverage in the in-
12 dividual market).”.

13 (2) Section 36B(c)(2)(C)(i)(I) of such Code is
14 amended by striking “(as defined in section
15 5000A(f)(2))”.

16 (3) Section 36B(c)(2)(C)(i)(II) of such Code is
17 amended by striking “(within the meaning of section
18 5000A(e)(1)(B))”.

19 (4) Section 36B(c)(2)(C)(ii) of such Code is
20 amended by striking “(as defined in section
21 5000A(f)(2))”.

22 (5) Section 36B(c)(2) of such Code is amended
23 by adding at the end the following new subpara-
24 graph:

1 “(D) REQUIRED CONTRIBUTION.—For
2 purposes of this paragraph—

3 “(i) IN GENERAL.—the term ‘required
4 contribution’ means—

5 “(I) in the case of an individual
6 eligible to purchase minimum essential
7 coverage consisting of coverage
8 through an eligible-employer-spon-
9 sored plan, the portion of the annual
10 premium which would be paid by the
11 individual (without regard to whether
12 paid through salary reduction or oth-
13 erwise) for self-only coverage, or

14 “(II) in the case of an individual
15 eligible only to purchase minimum es-
16 sential coverage described in sub-
17 section (g)(1)(C), the annual premium
18 for the lowest cost bronze plan avail-
19 able in the individual market through
20 the Exchange in the State in the rat-
21 ing area in which the individual re-
22 sides (without regard to whether the
23 individual purchased a qualified
24 health plan through the Exchange),
25 reduced by the amount of the credit

1 allowable under this section for the
 2 taxable year (determined as if the in-
 3 dividual was covered by a qualified
 4 health plan offered through the Ex-
 5 change for the entire taxable year).

6 “(ii) SPECIAL RULES FOR INDIVID-
 7 UALS RELATED TO EMPLOYEES.—For pur-
 8 poses of clause (i)(I), if an individual is eli-
 9 gible for minimum essential coverage
 10 through an employer by reason of a rela-
 11 tionship to an employee, the determination
 12 under subparagraph (C)(i)(II) shall be
 13 made by reference to required contribution
 14 of the employee.”.

15 (6) Section 36B of such Code is amended by re-
 16 designating subsection (g) as subsection (h) and by
 17 inserting after subsection (f) the following new sub-
 18 section:

19 “(g) MINIMUM ESSENTIAL COVERAGE.—For pur-
 20 poses of this section—

21 “(1) IN GENERAL.—The term ‘minimum essen-
 22 tial coverage’ means any of the following:

23 “(A) GOVERNMENT SPONSORED PRO-
 24 GRAMS.—Coverage under—

1 “(i) the Medicare program under part
2 A of title XVIII of the Social Security Act,

3 “(ii) the Medicaid program under title
4 XIX of the Social Security Act,

5 “(iii) the CHIP program under title
6 XXI of the Social Security Act,

7 “(iv) medical coverage under chapter
8 55 of title 10, United States Code, includ-
9 ing coverage under the TRICARE pro-
10 gram,

11 “(v) a health care program under
12 chapter 17 or 18 of title 38, United States
13 Code, as determined by the Secretary of
14 Veterans Affairs, in coordination with the
15 Secretary of Health and Human Services
16 and the Secretary,

17 “(vi) a health plan under section
18 2504(e) of title 22, United States Code
19 (relating to Peace Corps volunteers), or

20 “(vii) the Nonappropriated Fund
21 Health Benefits Program of the Depart-
22 ment of Defense, established under section
23 349 of the National Defense Authorization
24 Act for Fiscal Year 1995 (Public Law
25 103–337; 10 U.S.C. 1587 note).

1 “(B) EMPLOYER-SPONSORED PLAN.—Cov-
 2 erage under an eligible employer-sponsored
 3 plan.

4 “(C) PLANS IN THE INDIVIDUAL MAR-
 5 KET.—Coverage under a health plan offered in
 6 the individual market within a State.

7 “(D) GRANDFATHERED HEALTH PLAN.—
 8 Coverage under a grandfathered health plan.

9 “(E) OTHER COVERAGE.—Such other
 10 health benefits coverage, such as a State health
 11 benefits risk pool, as the Secretary of Health
 12 and Human Services, in coordination with the
 13 Secretary, recognizes for purposes of this sub-
 14 section.

15 “(2) ELIGIBLE EMPLOYER-SPONSORED PLAN.—
 16 The term ‘eligible employer-sponsored plan’ means,
 17 with respect to any employee, a group health plan or
 18 group health insurance coverage offered by an em-
 19 ployer to the employee which is—

20 “(A) a governmental plan (within the
 21 meaning of section 2791(d)(8) of the Public
 22 Health Service Act), or

23 “(B) any other plan or coverage offered in
 24 the small or large group market within a State.

1 Such term shall include a grandfathered health plan
2 described in paragraph (1)(D) offered in a group
3 market.

4 “(3) EXCEPTED BENEFITS NOT TREATED AS
5 MINIMUM ESSENTIAL COVERAGE.—The term ‘min-
6 imum essential coverage’ shall not include health in-
7 surance coverage which consists of coverage of ex-
8 cepted benefits—

9 “(A) described in paragraph (1) of sub-
10 section (c) of section 2791 of the Public Health
11 Service Act, or

12 “(B) described in paragraph (2), (3), or
13 (4) of such subsection if the benefits are pro-
14 vided under a separate policy, certificate, or
15 contract of insurance.

16 “(4) INDIVIDUALS RESIDING OUTSIDE UNITED
17 STATES OR RESIDENTS OF TERRITORIES.—Any ap-
18 plicable individual shall be treated as having min-
19 imum essential coverage for any month—

20 “(A) if such month occurs during any pe-
21 riod described in subparagraph (A) or (B) of
22 section 911(d)(1) which is applicable to the in-
23 dividual, or

24 “(B) if such individual is a bona fide resi-
25 dent of any possession of the United States (as

1 determined under section 937(a)) for such
2 month.

3 “(5) INSURANCE-RELATED TERMS.—Any term
4 used in this section which is also used in title I of
5 the Patient Protection and Affordable Care Act shall
6 have the same meaning as when used in such title.”.

7 (7) Section 162(m)(6)(C)(i)(II) of such Code is
8 amended by striking “section 5000A(f)” and insert-
9 ing “section 36B(g)”.

10 (8) Subsections (a)(1) and (b)(1)(A) of section
11 4980H of such Code are each amended by striking
12 “section 5000A(f)(2)” and inserting “section
13 36B(g)(2)”.

14 (9) Section 4980I(f)(1)(B) of such Code is
15 amended by striking “section 5000A(f)” and insert-
16 ing “section 36B(g)”.

17 (10) Section 6055(e) of such Code is amended
18 by striking “section 5000A(f)” and inserting “sec-
19 tion 36B(g)”.

20 (11) Section 6056(b)(2)(B) of such Code is
21 amended by striking “section 5000A(f)(2)” and in-
22 serting “section 36B(g)(2)”.

23 (12) The table of chapters for subtitle D of
24 such Code is amended by striking the item relating
25 to chapter 48.

1 (c) CONFORMING AMENDMENTS TO OTHER LAWS.—

2 (1) Section 2715(b)(3)(G)(i) of the Public
3 Health Service Act is amended by striking “section
4 5000A(f)” and inserting “section 36B(g)”.

5 (2) Section 1251(a)(4)(B)(ii) of the Patient
6 Protection and Affordable Care Act is amended by
7 striking “section 5000A(f)(2)” and inserting “sec-
8 tion 36B(g)(2)”.

9 (3) Section 1302(e)(2)(B) of the Patient Pro-
10 tection and Affordable Care Act is amended to read
11 as follows:

12 “(B) has a certification in effect for any
13 plan year under this title that—

14 “(i) the individual’s required contribu-
15 tion (determined on an annual basis) for
16 coverage for the month exceeds 8 percent
17 of such individual’s household income for
18 the taxable year described in section
19 1412(b)(1)(B), or

20 “(ii) the individual has been deter-
21 mined by the Secretary of Health and
22 Human Services under section
23 1311(d)(4)(H) to have suffered a hardship
24 with respect to the capability to obtain cov-
25 erage under a qualified health plan.”.

1 (4) Section 1302(e) of the Patient Protection
2 and Affordable Care Act is amended by adding at
3 the end the following new paragraph:

4 “(4) DETERMINATION OF INDIVIDUAL’S RE-
5 QUIRED CONTRIBUTION AND HOUSEHOLD INCOME.—

6 For purposes of this subsection—

7 “(A) REQUIRED CONTRIBUTION.—The
8 term ‘required contribution’ means—

9 “(i) in the case of an individual eligi-
10 ble to purchase minimum essential cov-
11 erage consisting of coverage through an el-
12 igible-employer-sponsored plan (as defined
13 in section 36B(g)(2) of the Internal Rev-
14 enue Code of 1986), the portion of the an-
15 nual premium which would be paid by the
16 individual (without regard to whether paid
17 through salary reduction or otherwise) for
18 self-only coverage, or

19 “(ii) in the case of an individual eligi-
20 ble only to purchase minimum essential
21 coverage described in section 36B(g)(1)(C)
22 of the Internal Revenue Code of 1986, the
23 annual premium for the lowest cost bronze
24 plan available in the individual market
25 through the Exchange in the State in the

1 rating area in which the individual resides
2 (without regard to whether the individual
3 purchased a qualified health plan through
4 the Exchange), reduced by the amount of
5 the credit allowable under section 36B of
6 such Code for the taxable year (determined
7 as if the individual was covered by a quali-
8 fied health plan offered through the Ex-
9 change for the entire taxable year).

10 “(B) SPECIAL RULES FOR INDIVIDUALS
11 RELATED TO EMPLOYEES.—For purposes of
12 subparagraph (A)(i), if an individual is eligible
13 for minimum essential coverage (as defined in
14 section 36B(g) of the Internal Revenue Code of
15 1986) through an employer by reason of a rela-
16 tionship to an employee, the determination
17 under paragraph (2)(B)(i) shall be made by ref-
18 erence to required contribution of the employee.

19 “(C) INDEXING.—In the case of plan years
20 beginning in any calendar year after 2014,
21 paragraph (2)(B)(i) shall be applied by sub-
22 stituting for ‘8 percent’ the percentage the Sec-
23 retary of Health and Human Services deter-
24 mines reflects the excess of the rate of premium
25 growth between the preceding calendar year

1 and 2013 over the rate of income growth for
2 such period.

3 “(D) HOUSEHOLD INCOME.—For purposes
4 of paragraph (2)(B)(i), the taxpayer’s house-
5 hold income shall be increased by any exclusion
6 from gross income for any portion of the re-
7 quired contribution made through a salary re-
8 duction arrangement.”.

9 (5) Section 1311(d)(4) of the Patient Protec-
10 tion and Affordable Care Act is amended by striking
11 subparagraph (H) and by redesignating subpara-
12 graphs (I), (J), and (K) as subparagraphs (H), (I),
13 and (J), respectively.

14 (6) Section 1312(d)(4) of the Patient Protec-
15 tion and Affordable Care Act is amended by striking
16 “section 5000A(f)” and inserting “section 36B(g)”.

17 (7) Section 1331(e)(1)(C) of the Patient Pro-
18 tection and Affordable Care Act is amended—

19 (A) by striking “section 5000A(f)” and in-
20 serting “section 36B(g)”, and

21 (B) by striking “section 5000A(e)(2) of
22 such Code” and inserting “section 1411(a)(4)”.

23 (8) Section 1332(a)(2)(D) of the Patient Pro-
24 tection and Affordable Care Act is amended by

1 striking “Sections 36B, 4980H, and 5000A” and in-
2 serting “Sections 36B and 4980H”.

3 (9) Section 1401(c)(1)(A)(iii) of the Patient
4 Protection and Affordable Care Act is amended by
5 striking “section 5000A(f)” and inserting “section
6 36B(g)”.

7 (10) Section 1411(a) of the Patient Protection
8 and Affordable Care Act is amended—

9 (A) by adding “and” at the end of para-
10 graph (2),

11 (B) by striking “sections 36B(c)(2)(C) and
12 5000A(e)(2); and” in paragraph (3) and insert-
13 ing “section 36B(c)(2)(C).”, and

14 (C) by striking paragraph (4).

15 (11) Section 1411(b)(4)(C) of the Patient Pro-
16 tection and Affordable Care Act is amended by
17 striking “section 5000A(e)(1)(B)” and inserting
18 “section 36B(c)(2)(D)”.

19 (12) Section 1411(b) of the Patient Protection
20 and Affordable Care Act is amended by striking
21 paragraph (5).

22 (13) Section 1411(e)(4)(B) of the Patient Pro-
23 tection and Affordable Care Act is amended by
24 striking clause (iv).

1 (d) EFFECTIVE DATE.—The amendments and repeal
2 made by this section shall apply to taxable years ending
3 after December 31, 2013.

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