

119TH CONGRESS  
1ST SESSION

# S. 653

To amend the Internal Revenue Code of 1986 to treat membership in a health care sharing ministry as a medical expense, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 20, 2025

Mr. BUDD introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to treat membership in a health care sharing ministry as a medical expense, 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. TREATMENT OF HEALTH CARE SHARING MIN-**  
4 **ISTRIES AS A MEDICAL EXPENSE AND NOT AS**  
5 **INSURANCE.**

6 (a) TREATMENT AS A MEDICAL EXPENSE.—Section  
7 213(d)(1) of the Internal Revenue Code of 1986 is amend-  
8 ed by striking “or” at the end of subparagraph (C), by  
9 striking the period at the end of subparagraph (D) and

1 inserting “, or”, and by adding at the end the following  
 2 new subparagraph:

3           “(E) for membership in a health care shar-  
 4           ing ministry (as defined in section  
 5           5000A(d)(2)(B)(ii) without regard to subclause  
 6           (IV) thereof), including—

7                   “(i) the sharing of medical expenses  
 8                   with respect to such ministry, and

9                   “(ii) the payment of administrative  
 10                   fees of such ministry.”.

11           (b) HEALTH CARE SHARING MINISTRY NOT TREAT-  
 12 ED AS A HEALTH PLAN OR INSURANCE.—

13           (1) IN GENERAL.—Chapter 79 of the Internal  
 14           Revenue Code of 1986 is amended by inserting after  
 15           section 7702B the following new section:

16           **“SEC. 7702C. TREATMENT OF HEALTH CARE SHARING MIN-**  
 17                   **ISTRIES.**

18           “For purposes of this title, a health care sharing min-  
 19           istry (as defined in section 5000A(d)(2)(B)(ii) without re-  
 20           gard to subclause (IV) thereof) shall not be treated as a  
 21           health plan or as insurance.”.

22           (2) CLERICAL AMENDMENT.—The table of sec-  
 23           tions for chapter 79 of such Code is amended by in-  
 24           serting after the item relating to section 7702B the  
 25           following new item:

“Sec. 7702C. Treatment of health care sharing ministries.”.

1           (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2025.

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