

115TH CONGRESS
1ST SESSION

H. R. 2579

To amend the Internal Revenue Code of 1986 to allow the premium tax credit with respect to unsubsidized COBRA continuation coverage.

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 2017

Mr. TIBERI 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 allow the premium tax credit with respect to unsubsidized COBRA continuation coverage.

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. PREMIUM TAX CREDIT ALLOWED WITH RE-**
4 **SPECT TO UNSUBSIDIZED COBRA CONTINU-**
5 **ATION COVERAGE.**

6 (a) IN GENERAL.—Section 36B(f) of the Internal
7 Revenue Code of 1986 is amended—

8 (1) by inserting after “in section 9832(b))” the
9 following: “offered in the individual health insurance
10 market within a State (within the meaning of sec-

1 tion 5000A(f)(1)(C)), or any unsubsidized COBRA
2 continuation coverage,”; and

3 (2) by striking paragraph (1) and by redesignating paragraphs (2), (3), (4), and (5) as paragraphs (1), (2), (3), and (4), respectively.

6 (b) CERTIFICATION OF UNSUBSIDIZED COBRA CONTINUATION COVERAGE.—Section 36B(g) of such Code is
7 amended by redesignating paragraph (9) as paragraph
8 (10) and by inserting after paragraph (8) the following
9 new paragraph:

11 “(9) SPECIAL RULE FOR UNSUBSIDIZED COBRA
12 CONTINUATION COVERAGE.—In the case of unsubsidized COBRA continuation coverage—

14 “(A) subsection (d)(1) shall be applied by
15 substituting ‘COBRA continuation coverage
16 which is certified by the plan administrator (as
17 defined in section 414(g)) of the group health
18 plan’ for ‘health insurance coverage which is
19 certified by the State in which such insurance
20 is offered’, and

21 “(B) the requirements of paragraph (8)
22 shall be treated as satisfied if the certification
23 meets such requirements as the Secretary may
24 provide.”.

1 (c) UNSUBSIDIZED COBRA CONTINUATION COV-
 2 ERAGE.—Section 36B of such Code is amended by adding
 3 at the end the following new subsection:

4 “(h) UNSUBSIDIZED COBRA CONTINUATION COV-
 5 ERAGE.—For purposes of this section—

6 “(1) IN GENERAL.—The term ‘unsubsidized
 7 COBRA continuation coverage’ means COBRA con-
 8 tinuation coverage the payment of applicable pre-
 9 miums (as defined in section 4980B(f)(4)) for which
 10 is solely the obligation of the taxpayer.

11 “(2) COBRA CONTINUATION COVERAGE.—The
 12 term ‘COBRA continuation coverage’ means con-
 13 tinuation coverage provided—

14 “(A) pursuant to part 6 of subtitle B of
 15 title I of the Employee Retirement Income Se-
 16 curity Act of 1974 (other than under sections
 17 602(5) and 609), title XXII of the Public
 18 Health Service Act, section 4980B (other than
 19 subsection (f)(1) thereof insofar as it relates to
 20 pediatric vaccines), or section 8905a of title 5,
 21 United States Code,

22 “(B) under a State law or program that
 23 provides coverage comparable to coverage de-
 24 scribed in subparagraph (A), or

1 “(C) under a group health plan that is a
2 church plan (as defined in section 414(e)) and
3 is comparable to coverage provided pursuant to
4 section 4980B.

5 Such term shall not include coverage under a health
6 flexible spending arrangement.”.

7 (d) CONFORMING AMENDMENT.—

8 (1) Section 36B(d)(2)(A) is amended by inserting
9 “COBRA continuation coverage or” after “other than”.

10 (2) Section 36B(g)(6) of such Code is amended by
11 striking “subsection (f)(5)” and inserting “subsection
12 (f)(4)”.

13 (e) AMENDMENT OF SECTION 36B AS AMENDED BY
14 AMERICAN HEALTH CARE ACT OF 2017.—Whenever in
15 this section an amendment is expressed in terms of an
16 amendment to section 36B of the Internal Revenue Code
17 of 1986, the reference shall be considered to be made to
18 such section as amended by the American Health Care
19 Act of 2017 and in effect for months beginning after De-
20 cember 31, 2019.

21 (f) EFFECTIVE DATE.—The amendments made by
22 this subsection are contingent upon the enactment of the
23 American Health Care Act of 2017 and shall apply (if at

- 1 all) to months beginning after December 31, 2019, in tax-
- 2 able years ending after such date.

