

109TH CONGRESS
2^D SESSION

H. R. 5613

To amend the Internal Revenue Code of 1986 to allow a tax credit for charitable contributions to private, nonprofit charities providing health insurance premium assistance and drug co-payment assistance, thereby transitioning uninsured Americans into private insurance and transitioning Medicaid patients into private insurance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 2006

Mr. GERLACH 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 a tax credit for charitable contributions to private, nonprofit charities providing health insurance premium assistance and drug co-payment assistance, thereby transitioning uninsured Americans into private insurance and transitioning Medicaid patients into private insurance, 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. SHORT TITLE.**

2 This act may be cited as the “Health Insurance Tax
3 Credit Assistance Act of 2006”.

4 **SEC. 2. CREDIT FOR CHARITABLE CONTRIBUTIONS TO CER-**
5 **TAIN PRIVATE CHARITIES PROVIDING**
6 **HEALTH INSURANCE PREMIUM ASSISTANCE**
7 **AND DRUG COPAYMENT ASSISTANCE TO THE**
8 **UNINSURED AND UNDERINSURED.**

9 (a) IN GENERAL.—Subpart A of part IV of chapter
10 1 of the Internal Revenue Code of 1986 (relating to non-
11 refundable personal credits) is amended by inserting after
12 section 25D the following new section:

13 **“SEC. 25E. CREDIT FOR CONTRIBUTIONS TO THE CHRON-**
14 **ICALLY ILL UNINSURED AND UNDER-**
15 **INSURED.**

16 “(a) IN GENERAL.—In the case of an individual,
17 there shall be allowed as a credit against the tax imposed
18 by this chapter for the taxable year an amount equal to
19 the qualified charitable contributions made by the tax-
20 payer.

21 “(b) LIMITATION.—The amount allowed as a credit
22 to the taxpayer under subsection (a) shall not exceed
23 \$1,000 (\$2,000 in the case of a joint return).

24 “(c) QUALIFIED CHARITABLE CONTRIBUTION.—For
25 the purposes of this section, the term ‘qualified charitable

1 contribution' means a charitable contribution (as defined
2 in section 170(c)) made in cash to a qualified charity.

3 “(d) QUALIFIED CHARITY.—For purposes of this sec-
4 tion—

5 “(1) IN GENERAL.—The term ‘qualified charity’
6 means an organization described in section 501(c)(3)
7 and exempt from tax under section 501(a)—

8 “(A) which is certified by the Office of In-
9 spector General of the Department of Health
10 and Human Services as meeting the require-
11 ments of paragraph (2), and

12 “(B) which is organized under the laws of
13 a State at the time the contribution is made
14 and is exempt from income taxation (if any) by
15 such State.

16 “(2) CHARITY MUST WORK TO ASSIST CHRON-
17 ICALLY ILL PATIENTS WITH HEALTH INSURANCE
18 PREMIUM ASSISTANCE AND COPAYMENT ASSIST-
19 ANCE.—An organization meets the requirements of
20 this paragraph only if the predominant activity of
21 such organization is the subsidizing of health insur-
22 ance premiums and pharmacy co-payments of indi-
23 viduals who are uninsured or cannot otherwise af-
24 ford health insurance or drug treatments.

1 “(e) DENIAL OF DOUBLE BENEFIT.—No deduction
2 shall be allowed under any other provision of this chapter
3 for any contribution for which a deduction or credit is al-
4 lowed under subsection (a).

5 “(f) ELECTION TO NOT TAKE CREDIT.—No credit
6 shall be allowed under subsection (a) for any contribution
7 if the taxpayer elects to not have this section apply to such
8 contribution.”.

9 (b) CLERICAL AMENDMENTS.—The table of sections
10 of such subpart is amended by inserting after the item
11 relating to section 25D the following new item:

“Sec. 25E. Credit for contributions to the chronically ill uninsured and under-
insured.”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 the date of the enactment of this Act.

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