

108TH CONGRESS
1ST SESSION

S. 1693

To amend section 35 of the Internal Revenue Code of 1986 to allow individuals receiving unemployment compensation to be eligible for a refundable, advanceable credit for health insurance costs.

IN THE SENATE OF THE UNITED STATES

OCTOBER 1, 2003

Mr. GRASSLEY (for himself and Mr. BAUCUS) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend section 35 of the Internal Revenue Code of 1986 to allow individuals receiving unemployment compensation to be eligible for a refundable, advanceable credit for health insurance costs.

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 “Health Care Tax Cred-
5 it Expansion Act of 2003”.

1 **SEC. 2. CREDIT FOR HEALTH INSURANCE COSTS OF INDIVIDUALS RECEIVING UNEMPLOYMENT COMPENSATION.**
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4 (a) IN GENERAL.—Section 35(c) of the Internal Revenue Code of 1986 (defining eligible individual) is amended—
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7 (1) in paragraph (1)—

8 (A) in subparagraph (B), by striking
 9 “and” at the end;

10 (B) in subparagraph (C), by striking the
 11 period and inserting “, and”; and

12 (C) by adding at the end the following:

13 “(D) an eligible unemployment compensation
 14 recipient.”; and

15 (2) by adding at the end the following:

16 “(5) ELIGIBLE UNEMPLOYMENT COMPENSATION
 17 RECIPIENT.—

18 “(A) IN GENERAL.—The term ‘eligible unemployment
 19 compensation recipient’ means,
 20 with respect to any month, any individual who
 21 is determined eligible for any day of such
 22 month for unemployment compensation under
 23 State law (as defined in section 205(9) of the
 24 Federal-State Extended Unemployment Compensation
 25 Act of 1970), including Federal unemployment
 26 compensation laws administered

1 through the State. An individual shall continue
 2 to be treated as an eligible unemployment com-
 3 pensation recipient during the first month that
 4 such individual would otherwise cease to be an
 5 eligible unemployment compensation recipient
 6 by reason of the preceding sentence.

7 “(B) COORDINATION WITH OTHER ELIGI-
 8 BILITY CATEGORIES.—An individual may not be
 9 treated as an eligible unemployment compensa-
 10 tion recipient during any month with respect to
 11 which such individual is treated as an eligible
 12 individual described in subparagraph (A), (B),
 13 or (C) of paragraph (1).”.

14 (b) CONFORMING AMENDMENTS.—

15 (1) Section 35(e)(1)(J) of such Code is amend-
 16 ed—

17 (A) in clause (ii), by striking “or” at the
 18 end;

19 (B) in clause (iii), by striking the period
 20 and inserting “, or”; and

21 (C) by adding at the end the following:

22 “(iv) in the case of an eligible unem-
 23 ployment compensation recipient, the ben-
 24 efit described in subsection (e)(5)(A).”.

25 (2) Section 7527(d) of such Code is amended—

1 (A) in paragraph (1), by striking “or” at
2 the end;

3 (B) in paragraph (2), by striking the pe-
4 riod and inserting “, or”; and

5 (C) by adding at the end the following:

6 “(3) in the case of an eligible unemployment
7 compensation recipient (as defined in section
8 35(c)(5)), is certified by the State agency admin-
9 istering the unemployment compensation law of the
10 State under which the recipient receives such com-
11 pensation.”.

12 (c) TECHNICAL AMENDMENTS.—Section 6103(p)(4)
13 of such Code, as amended by section 202(b)(2)(B) of the
14 Trade Act of 2002 (Public Law 107–210; 116 Stat. 961),
15 by striking “or (17)” after “any other person described
16 in subsection (l)(16)” each place it appears and inserting
17 “or (18)”.

18 (d) EFFECTIVE DATES.—

19 (1) IN GENERAL.—Except as provided in para-
20 graph (2), the amendments made by this section
21 shall apply to amounts paid for qualified health in-
22 surance for months beginning with August 2003.

23 (2) TECHNICAL AMENDMENTS.—The amend-
24 ments made by subsection (d) shall take effect as if
25 included in the enactment of section 202 of the

1 Trade Act of 2002 (Public Law 107–210; 116 Stat.
2 960).

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