

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 3655

To amend the Internal Revenue Code of 1986 to allow individuals eligible for veterans health benefits to contribute to health savings accounts.

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IN THE SENATE OF THE UNITED STATES

JULY 13, 2006

Mr. CRAIG (for himself and Mr. COBURN) 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 allow individuals eligible for veterans health benefits to contribute to health savings accounts.

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. ALLOWANCE OF INDIVIDUALS ELIGIBLE FOR**  
4                               **VETERANS HEALTH BENEFITS TO CON-**  
5                               **TRIBUTE TO HEALTH SAVINGS ACCOUNTS.**

6       (a) IN GENERAL.—Section 223(c)(1) of the Internal  
7 Revenue Code of 1986 (defining eligible individual) is  
8 amended by adding at the end the following new subpara-  
9 graph:

1                   “(C) SPECIAL RULE FOR INDIVIDUALS ELI-  
2                   GIBLE FOR VETERANS HEALTH BENEFITS.—  
3                   For purposes of subparagraph (A)(ii), an indi-  
4                   vidual shall not be treated as covered under a  
5                   health plan described in such subparagraph  
6                   merely because the individual receives periodic  
7                   hospital care or medical services under any law  
8                   administered by the Secretary of Veterans Af-  
9                   fairs.”.

10           (b) EFFECTIVE DATE.—The amendment made by  
11 this section shall apply to taxable years beginning after  
12 December 31, 2006.

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