

110TH CONGRESS
1ST SESSION

H. R. 2302

To amend the Internal Revenue Code of 1986 to allow a deduction for premiums for high deductible health plans required with respect to health savings accounts.

IN THE HOUSE OF REPRESENTATIVES

MAY 14, 2007

Mr. KING of Iowa (for himself, Mr. AKIN, Mr. FLAKE, Mr. MILLER of Florida, Mrs. MUSGRAVE, Mr. PENCE, Mr. SESSIONS, Mr. GOHMERT, Mr. MACK, Mr. PAUL, Mr. PLATTS, Mr. TERRY, and Mr. WESTMORELAND) 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 deduction for premiums for high deductible health plans required with respect 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. SHORT TITLE.**

4 This Act may be cited as the “Health Insurance Af-
5 fordability Act of 2007”.

1 **SEC. 2. DEDUCTION OF PREMIUMS FOR HIGH DEDUCTIBLE**
2 **HEALTH PLANS.**

3 (a) IN GENERAL.—Part VII of subchapter B of chap-
4 ter 1 of the Internal Revenue Code of 1986 (relating to
5 additional itemized deductions for individuals) is amended
6 by redesignating section 224 as section 225 and by insert-
7 ing after section 223 the following new section:

8 **“SEC. 224. PREMIUMS FOR HIGH DEDUCTIBLE HEALTH**
9 **PLANS.**

10 “(a) DEDUCTION ALLOWED.—In the case of an indi-
11 vidual, there shall be allowed as a deduction for the tax-
12 able year the aggregate amount paid by such individual
13 as premiums under a high deductible health plan with re-
14 spect to months during such year for which such indi-
15 vidual is an eligible individual with respect to such health
16 plan.

17 “(b) DEFINITIONS.—For purposes of this section—

18 “(1) ELIGIBLE INDIVIDUAL.—The term ‘eligible
19 individual’ has the meaning given such term by sec-
20 tion 223(c)(1).

21 “(2) HIGH DEDUCTIBLE HEALTH PLAN.—The
22 term ‘high deductible health plan’ has the meaning
23 given such term by section 223(c)(2).

24 “(c) SPECIAL RULES.—

25 “(1) DEDUCTION ALLOWABLE FOR ONLY 1
26 PLAN.—For purposes of this section, in the case of

1 an individual covered by more than 1 high deductible
2 health plan for any month, the individual may only
3 take into account amounts paid for 1 of such plans
4 for such month.

5 “(2) EMPLOYER PROVIDED COVERAGE.—

6 “(A) IN GENERAL.—No deduction shall be
7 allowed to an individual under subsection (a)
8 for any amount paid for coverage under a high
9 deductible health plan for a month if that indi-
10 vidual participates in any coverage for such
11 month that is excluded (in whole or in part)
12 from the gross income of the individual or the
13 individual’s spouse under section 106.

14 “(B) CAFETERIA PLANS, ETC.—Employer
15 contributions to a cafeteria plan or a flexible
16 spending or similar arrangement which are ex-
17 cluded from gross income under section 106
18 shall be treated for purposes of this section as
19 paid by the employer.

20 “(3) CONTRIBUTIONS TO HEALTH SAVINGS AC-
21 COUNT REQUIRED.—A deduction shall not be al-
22 lowed under subsection (a) for a taxable year with
23 respect to such individual if such individual is not al-
24 lowed a deduction under section 223 for such tax-
25 able year.

1 “(4) MEDICAL AND HEALTH SAVINGS AC-
2 COUNTS.—Subsection (a) shall not apply with re-
3 spect to any amount which is paid or distributed out
4 of an Archer MSA or a health savings account which
5 is not included in gross income under section 220(f)
6 or 223(f), as the case may be.

7 “(5) COORDINATION WITH DEDUCTION FOR
8 HEALTH INSURANCE OF SELF-EMPLOYED INDIVID-
9 UALS.—The amount taken into account by the tax-
10 payer in computing the deduction under section
11 162(l) shall not be taken into account under this
12 section.

13 “(6) COORDINATION WITH MEDICAL EXPENSE
14 DEDUCTION.—The amount taken into account by
15 the taxpayer in computing the deduction under this
16 section shall not be taken into account under section
17 213.”.

18 (b) DEDUCTION ALLOWED WHETHER OR NOT INDI-
19 VIDUAL ITEMIZES OTHER DEDUCTIONS.—Subsection (a)
20 of section 62 of such Code is amended by inserting before
21 the flush sentence at the end the following new paragraph:

22 “(21) PREMIUMS FOR HIGH DEDUCTIBLE
23 HEALTH PLANS.—The deduction allowed by section
24 224.”.

1 (c) CLERICAL AMENDMENT.—The table of sections
2 for part VII of subchapter B of chapter 1 of such Code
3 is amended by striking the last item and inserting the fol-
4 lowing new items:

“Sec. 224. Premiums for high deductible health plans.

“Sec. 225. Cross reference.”.

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2006.

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