

111TH CONGRESS  
1ST SESSION

# H. R. 198

To amend the Internal Revenue Code of 1986 to allow a deduction for amounts paid for health insurance and prescription drug costs of individuals.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 2009

Mr. STEARNS introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow a deduction for amounts paid for health insurance and prescription drug costs of individuals.

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 De-  
5 duction Act of 2009”.

6 **SEC. 2. DEDUCTION FOR HEALTH INSURANCE AND PRE-**  
7 **SCRIPTION DRUG COSTS OF INDIVIDUALS.**

8 (a) IN GENERAL.—Part VII of subchapter B of chap-  
9 ter 1 of the Internal Revenue Code of 1986 is amended

1 by redesignating section 224 as section 225 and by insert-  
2 ing after section 223 the following new section:

3 **“SEC. 224. HEALTH INSURANCE AND PRESCRIPTION DRUG**  
4 **COSTS.**

5 “(a) IN GENERAL.—In the case of an individual,  
6 there shall be allowed as a deduction an amount equal to  
7 the sum of the amount paid during the taxable year for—

8 “(1) insurance which constitutes medical care  
9 for the taxpayer and the taxpayer’s spouse and de-  
10 pendents, plus

11 “(2) unreimbursed prescription drug expenses  
12 paid by the taxpayer for the taxpayer and the tax-  
13 payer’s spouse and dependents.

14 “(b) LIMITATIONS AND SPECIAL RULES.—

15 “(1) EMPLOYER CONTRIBUTIONS TO CAFETE-  
16 TERIA PLANS, FLEXIBLE SPENDING ARRANGEMENTS,  
17 AND MEDICAL SAVINGS ACCOUNTS.—Employer con-  
18 tributions to a cafeteria plan, a flexible spending or  
19 similar arrangement, a medical savings account, or  
20 a health savings account which are excluded from  
21 gross income under section 106 shall be treated for  
22 purposes of subsection (a) as paid by the employer.

23 “(2) DEDUCTION NOT AVAILABLE FOR PAY-  
24 MENT OF ANCILLARY COVERAGE PREMIUMS.—Any

1 amount paid as a premium for insurance which pro-  
2 vides for—

3 “(A) coverage for accidents, disability, den-  
4 tal care, vision care, or a specified illness, or

5 “(B) making payments of a fixed amount  
6 per day (or other period) by reason of being  
7 hospitalized,

8 shall not be taken into account under subsection (a).

9 “(3) COORDINATION WITH DEDUCTION FOR  
10 HEALTH INSURANCE OF SELF-EMPLOYED INDIVID-  
11 UALS.—The amount taken into account by the tax-  
12 payer in computing the deduction under section  
13 162(l) shall not be taken into account under this  
14 section.

15 “(4) COORDINATION WITH MEDICAL EXPENSE  
16 DEDUCTION.—The amount taken into account by  
17 the taxpayer in computing the deduction under this  
18 section shall not be taken into account under section  
19 213.

20 “(c) DEFINITIONS.—For purposes of this section—

21 “(1) MEDICAL CARE.—

22 “(A) IN GENERAL.—The term ‘medical  
23 care’ has the meaning given such term by sec-  
24 tion 213(d) without regard to—

25 “(i) paragraph (1)(C) thereof, and

1           “(ii) so much of paragraph (1)(D)  
2           thereof as relates to qualified long-term  
3           care insurance contracts.

4           “(B) EXCLUSION OF CERTAIN OTHER CON-  
5           TRACTS.—The term ‘medical care’ shall not in-  
6           clude insurance if a substantial portion of its  
7           benefits are excepted benefits (as defined in sec-  
8           tion 9832(e)).

9           “(2) UNREIMBURSED PRESCRIPTION DRUG EX-  
10          PENSES.—The term ‘unreimbursed prescription drug  
11          expenses’ means amounts paid or incurred for a pre-  
12          scribed drug (as defined by section 213(d)(3)) the  
13          cost of which to the taxpayer is not reimbursed by  
14          insurance or otherwise.

15          “(d) REGULATIONS.—The Secretary shall prescribe  
16          such regulations as may be appropriate to carry out this  
17          section.”.

18          (b) DEDUCTION ALLOWED WHETHER OR NOT TAX-  
19          PAYER ITEMIZES OTHER DEDUCTIONS.—Subsection (a)  
20          of section 62 of such Code is amended by inserting after  
21          paragraph (21) the following new item:

22                 “(22) HEALTH INSURANCE AND PRESCRIPTION  
23          DRUG COSTS.—The deduction allowed by section  
24          224.”.

1           (c) CLERICAL AMENDMENTS.—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. Health insurance and prescription drug costs.  
“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, 2008.

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