

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

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 2006

Mr. GERLACH 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 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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