

.....  
(Original Signature of Member)

114TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to eliminate the marriage penalty in, and reduce the eligibility limitation on, the tax credit for health insurance premiums.

\_\_\_\_\_  
IN THE HOUSE OF REPRESENTATIVES

Mr. GROTHMAN introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend the Internal Revenue Code of 1986 to eliminate the marriage penalty in, and reduce the eligibility limitation on, the tax credit for health insurance premiums.

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 “Obamacare Marriage  
5 Penalty Elimination Act”.

1 **SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN HEALTH**  
2 **INSURANCE PREMIUM TAX CREDIT.**

3 (a) IN GENERAL.—Section 36B(d) of the Internal  
4 Revenue Code of 1986 is amended by adding at the end  
5 the following new paragraph:

6 “(4) ELIMINATION OF MARRIAGE PENALTY.—In  
7 the case of a joint return—

8 “(A) CREDIT DETERMINED SEPARATELY  
9 WITH RESPECT TO EACH SPOUSE.—The credit  
10 allowed under this section shall be sum of the  
11 two credits determined under this section sepa-  
12 rately with respect to each spouse (as provided  
13 under this subparagraph).

14 “(B) TREATMENT OF INCOME OF  
15 SPOUSES.—

16 “(i) IN GENERAL.—Except as pro-  
17 vided in clause (ii), each spouse shall take  
18 into account the income of such spouse for  
19 purposes of this section.

20 “(ii) INCOME SPLIT NOT TO RESULT  
21 IN INELIGIBILITY FOR CREDIT FOR EITHER  
22 SPOUSE.—If—

23 “(I) the poverty line with respect  
24 to a spouse (determined after applica-  
25 tion of this paragraph but without re-  
26 gard to this clause) exceeds the in-

1           come taken into account by such  
2           spouse for purposes of this section (as  
3           so determined), and

4                   “(II) the income taken into ac-  
5           count by the other spouse for pur-  
6           poses of this section (as so deter-  
7           mined) exceeds the sum of the poverty  
8           line with respect to such other spouse  
9           (as so determined) plus the excess de-  
10          scribed in subclause (I),

11          the excess described in subclause (I) shall  
12          be taken into account as income of the  
13          spouse referred to in subclause (I) and not  
14          as income of the spouse referred to in sub-  
15          clause (II).

16          “(C) TREATMENT OF DEPENDENTS.—

17                   “(i) IN GENERAL.—Except as pro-  
18          vided in clause (ii), dependents of the tax-  
19          payer shall be allocated between the two  
20          spouses at the election of the taxpayer. For  
21          purposes of determining the family size in-  
22          volved and household income with respect  
23          to each spouse, only such spouse and the  
24          dependents allocated to such spouse under

1           this subparagraph shall be taken into ac-  
2           count

3                   “(ii) LIMITATION ON TAXPAYER ALLO-  
4           CATION.—The number of dependents allo-  
5           cated to a spouse under clause (i) cannot  
6           exceed the number of dependents allocated  
7           to the other spouse by more than 1 de-  
8           pendent.

9                   “(D) TREATMENT OF PREMIUMS.—To the  
10          extent that the amount of any monthly pre-  
11          mium is determined separately with respect to  
12          either spouse or any dependent of the taxpayer,  
13          such premium shall be taken into account by  
14          such spouse or the spouse to which such de-  
15          pendent is allocated under subparagraph (C).  
16          In the case of any monthly premium which is  
17          not so separately determined, such premium  
18          may be allocated between the two spouses at  
19          the election of the taxpayer.”.

20          (b) EFFECTIVE DATE.—The amendment made by  
21          this section shall apply to taxable years beginning after  
22          the date of the enactment of this Act.

1 **SEC. 3. REDUCTION IN POVERTY LINE ELIGIBILITY LIMITA-**  
2 **TION FOR HEALTH INSURANCE PREMIUM**  
3 **TAX CREDIT.**

4 (a) AMENDMENTS TO THE INTERNAL REVENUE  
5 CODE OF 1986.—

6 (1) IN GENERAL.—Section 36B(e)(1)(A) of the  
7 Internal Revenue Code of 1986 is amended by strik-  
8 ing “400 percent” and inserting “the applicable per-  
9 centage”.

10 (2) APPLICABLE PERCENTAGE.—Section  
11 36B(e)(1) of such Code is amended by redesignating  
12 subparagraphs (B), (C), and (D) as subparagraphs  
13 (C), (D), and (E), respectively, and by inserting  
14 after subparagraph (A) the following new subpara-  
15 graph:

16 “(B) APPLICABLE PERCENTAGE.—The  
17 term ‘applicable percentage’ means such per-  
18 centage as the Secretary, after consultation  
19 with the Secretary of Health and Human Serv-  
20 ices, determines will result in a combination of  
21 increased Federal revenues and reduced Federal  
22 outlays which is equal to the combination of re-  
23 duced Federal revenues and increased Federal  
24 outlays as a result of the amendments made by  
25 section 2 of the Obamacare Marriage Penalty  
26 Elimination Act.”.

1 (3) CONFORMING AMENDMENTS.—

2 (A) Section 36B(b)(3)(A)(i) of such Code  
3 is amended by inserting “and subsection  
4 (c)(1)(A)” after “Except as provided in clause  
5 (ii)”.

6 (B) Section 36B(f)(2)(B)(i) of such Code  
7 is amended by striking “400 percent” and in-  
8 serting “the applicable percentage (as defined  
9 in subsection (c)(1)(B))”.

10 (4) EFFECTIVE DATE.—The amendments made  
11 by this subsection shall apply to taxable years begin-  
12 ning after December 31, 2015.

13 (b) AMENDMENTS TO THE PATIENT PROTECTION  
14 AND AFFORDABLE CARE ACT.—

15 (1) IN GENERAL.—Section 1402(b)(2) of the  
16 Patient Protection and Affordable Care Act is  
17 amended by striking “400 percent” and inserting  
18 “the applicable percentage (as defined in section  
19 36B(c)(1)(B) of the Internal Revenue Code of  
20 1986)”.

21 (2) CONFORMING AMENDMENTS.—

22 (A) Section 1402(c)(1)(A) of such Act is  
23 amended by striking “The reduction” and in-  
24 serting “Except as provided in subsection  
25 (b)(2), the reduction”.

1                   (B) Section 1402(c)(1)(B)(i) of such Act is  
2                   amended by striking “The Secretary” and in-  
3                   serting “Except as provided in subsection  
4                   (b)(2), the Secretary”.

5                   (3) EFFECTIVE DATE.—The amendments made  
6                   by this subsection shall apply to months beginning  
7                   after December 31, 2015.