

1 S.64

2 Introduced by Senator Pollina

3 Referred to Committee on

4 Date:

5 Subject: Health; health insurance; Vermont Health Benefit Exchange;
6 subsidies

7 Statement of purpose of bill as introduced: This bill proposes to increase the
8 cost-sharing subsidy for individuals and families in the Vermont Health
9 Benefit Exchange to an 87 percent actuarial value for those earning between
10 150 and 400 percent of the federal poverty level. It would also cap the amount
11 of itemized deductions allowed at the State level to two and one-half times the
12 standard deduction.

13 An act relating to increasing Exchange cost-sharing subsidies and capping
14 the amount of itemized deductions allowed at the State level

15 It is hereby enacted by the General Assembly of the State of Vermont:

16 Sec. 1. 33 V.S.A. § 1812(b) is amended to read:

17 (b)(1) An individual or family with income at or below ~~300~~ 400 percent of
18 the federal poverty guideline shall be eligible for cost-sharing assistance,
19 including a reduction in the out-of-pocket maximums established under
20 Section 1402 of the Affordable Care Act.

1 (2) The Department of Vermont Health Access shall establish
2 cost-sharing assistance on a sliding scale based on modified adjusted gross
3 income for the individuals and families described in subdivision (1) of this
4 subsection. Cost-sharing assistance shall be established as follows:

5 (A) for households with income at or below 150 percent of the
6 federal poverty level (FPL): 94 percent actuarial value; and

7 (B) for households with income above 150 percent FPL and at or
8 below ~~200~~ 400 percent FPL: 87 percent actuarial value;

9 ~~(C) for households with income above 200 percent FPL and at or~~
10 ~~below 250 percent FPL: 77 percent actuarial value;~~

11 ~~(D) for households with income above 250 percent FPL and at or~~
12 ~~below 300 percent FPL: 73 percent actuarial value.~~

13 (3) Cost-sharing assistance shall be available for the same qualified
14 health benefit plans for which federal cost-sharing assistance is available and
15 administered using the same methods as set forth in Section 1402 of the
16 Affordable Care Act.

17 Sec. 2. 32 V.S.A. § 5811(21) is amended to read:

18 (21) “Taxable income” means federal taxable income determined
19 without regard to 26 U.S.C. § 168(k) and:

20 (A) Increased by the following items of income (to the extent such
21 income is excluded from federal adjusted gross income):

- 1 (i) interest income from non-Vermont state and local obligations;
- 2 (ii) dividends or other distributions from any fund to the extent
- 3 they are attributable to non-Vermont state or local obligations; and
- 4 (iii) ~~the amount in excess of \$5,000.00 of State and local income~~
- 5 ~~taxes deducted from federal adjusted gross income for the taxable year, but in~~
- 6 ~~no case in an amount that will reduce total itemized deductions below the~~
- 7 ~~amount of itemized deductions actually taken against adjusted gross income~~
- 8 ~~that is in excess of two and one-half times the standard deduction allowable to~~
- 9 the taxpayer; and

10 * * *

11 Sec. 3. EFFECTIVE DATES

12 (a) Sec. 1 shall take effect on January 1, 2016.

13 (b) Notwithstanding 1 V.S.A. § 214, Sec. 2 shall take effect retroactively

14 on January 1, 2015 and apply to tax year 2015 and after.

15 (c) This section shall take effect on passage.