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(Original Signature of Member)

113TH CONGRESS
2D SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to prevent foreign diplomats from being eligible to receive health insurance premium tax credits and health insurance cost-sharing reductions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. ROYCE (for himself and Mr. CAMP) introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to prevent foreign diplomats from being eligible to receive health insurance premium tax credits and health insurance cost-sharing reductions, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “No Healthcare Sub-
5 sidies for Foreign Diplomats Act of 2014”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) The Patient Protection and Affordable Care
2 Act (Public Law 111–148) (in this section referred
3 to as the “Affordable Care Act”) established certain
4 taxpayer-funded subsidies, such as premium tax
5 credits and cost-sharing reductions, that directly or
6 indirectly pay portions of the costs of health insur-
7 ance and services for eligible individuals and house-
8 holds.

9 (2) Diplomats of foreign governments and
10 United Nations staff members who are not citizens
11 or lawful permanent residents of the United States
12 do not pay Federal income taxes on their salaries
13 from those employers.

14 (3) The Department of State has notified for-
15 eign missions in the United States, permanent mis-
16 sions to the United Nations, and the United Nations
17 Secretariat that “the benefits of the United States
18 Affordable Care Act are available” to their per-
19 sonnel.

20 (4) According to the Department of Health and
21 Human Services and the Congressional Research
22 Service, foreign diplomats and United Nations em-
23 ployees in the United States are currently eligible to
24 obtain United States taxpayer-funded subsidies
25 under the Affordable Care Act, such as premium tax

1 credits and cost-sharing reductions, on the same
2 basis as American citizens and lawful permanent
3 residents.

4 (5) United States diplomats overseas do not de-
5 pend on foreign taxpayers for health care coverage,
6 but rely on United States-based health insurance
7 plans that provide overseas coverage.

8 (6) The Department of Health and Human
9 Services does not currently collect data that would
10 allow it to identify any foreign diplomats who are
11 enrolled in a qualified health plan and who may be
12 receiving premium tax credits or cost-sharing reduc-
13 tions pursuant to the Affordable Care Act.

14 (7) The Department of State also does not pos-
15 sess that data, and has asserted that it is not in-
16 volved in whatever processes foreign diplomats may
17 use to obtain benefits funded by the United States
18 Government.

19 (8) The Internal Revenue Service does not col-
20 lect visa information and is not currently able to dis-
21 cern whether any taxpayer is present in the United
22 States pursuant to an A (diplomatic) or a G (UN/
23 international organization) nonimmigrant visa.

24 (9) The Internal Revenue Service also does not
25 collect data identifying whether a foreign diplomat is

1 enrolled in a qualified health plan and is receiving
2 a premium tax credit or cost-sharing reduction pur-
3 suant to the Affordable Care Act.

4 **SEC. 3. SENSE OF CONGRESS.**

5 It is the sense of Congress that—

- 6 (1) foreign diplomats should be allowed to pur-
7 chase health insurance coverage in the United
8 States, but the cost of that coverage should be borne
9 by their sending States; and
- 10 (2) United States taxpayers should not sub-
11 sidize the health insurance expenses of foreign dip-
12 lomats.

13 **SEC. 4. FOREIGN DIPLOMATS INELIGIBLE TO RECEIVE**
14 **HEALTH INSURANCE PREMIUM TAX CREDITS**
15 **AND HEALTH INSURANCE COST-SHARING RE-**
16 **DUCTIONS.**

17 (a) DENIAL OF ELIGIBILITY.—

18 (1) FOR HEALTH INSURANCE PREMIUM TAX
19 CREDITS.—Section 36B of the Internal Revenue
20 Code of 1986 is amended—

21 (A) by redesignating subsection (g) as sub-
22 section (h); and

23 (B) by inserting after subsection (f) the
24 following new subsection:

25 “(g) DENIAL OF CREDIT TO FOREIGN DIPLOMATS.—

1 “(1) IN GENERAL.—No credit shall be allowed
2 under this section to any individual for any month
3 during any portion of which such individual is a for-
4 eign diplomat.

5 “(2) FOREIGN DIPLOMAT.—For purposes of
6 this subsection, the term ‘foreign diplomat’ means
7 an alien admitted to the United States as a non-
8 immigrant under section 101(a)(15)(A) or section
9 101(a)(15)(G) of the Immigration and Nationality
10 Act.”.

11 (2) FOR COST-SHARING REDUCTIONS.—For de-
12 nial of cost sharing reductions to individuals ineli-
13 gible for the premium tax credit under section 36B
14 of the Internal Revenue Code of 1986, see section
15 1402(f)(2) of the Patient Protection and Affordable
16 Care Act (42 U.S.C. 18071(f)(2)).

17 (3) EFFECTIVE DATE.—The amendment made
18 by paragraph (1) shall apply to foreign diplomats for
19 months beginning more than 30 days after the date
20 of the enactment of this Act, in taxable years ending
21 after such date, regardless of whether the diplomat
22 may have been determined eligible for a premium
23 tax credit or cost-sharing reduction (or advance pay-
24 ment with respect to such credit or reduction) before
25 such date of enactment.

1 (4) INFORMATION COORDINATION FOR TIMELY
2 IMPLEMENTATION.—The Secretary of State shall co-
3 ordinate with, and provide such information to, the
4 Secretaries of Homeland Security and of Health and
5 Human Services regarding individuals in the status
6 of a foreign diplomat (described in section 36B(g)(2)
7 of the Internal Revenue Code of 1986, as inserted
8 by paragraph (1)) as may be necessary—

9 (A) to apply the amendment made by
10 paragraph (1) and the provisions of paragraph
11 (2) on a timely process, including applying such
12 amendment in the case of an individual who has
13 been determined eligible for a premium tax
14 credit or cost-sharing reduction (or an advance
15 payment thereof) before the date of the enact-
16 ment of this Act; and

17 (B) to provide information to the Secretary
18 of Health and Human Services for the reports
19 to Congress under subsection (b)(1).

20 (b) REPORTS TO CONGRESS.—

21 (1) IN GENERAL.—Not later than 60 days after
22 the date of the enactment of this Act, and every 180
23 days thereafter, subject to paragraph (3), the Sec-
24 retary of Health and Human Services shall submit
25 to the appropriate committees of Congress (as de-

1 fined in paragraph (2)) a written report on the im-
2 plementation of this section. Each such report shall
3 include—

4 (A) the number of foreign diplomats listed
5 in the information received by such Secretary
6 under subsection (a)(4)(B) with respect to
7 whom an advance determination of eligibility
8 was still in effect under section 1412 of the Pa-
9 tient Protection and Affordable Care Act (42
10 U.S.C. 18082) as of the most recent date of the
11 receipt of such information by such Secretary;
12 and

13 (B) the number of such advance deter-
14 minations which were revoked at the time of the
15 submission of such written report to Congress.

16 (2) APPROPRIATE COMMITTEES OF CON-
17 GRESS.—For purposes of this subsection, the term
18 “appropriate committees of Congress” means the
19 Committees on Foreign Relations, Finance, and
20 Health, Education, Labor and Pensions of the Sen-
21 ate and the Committees on Foreign Affairs, Ways
22 and Means, and Energy and Commerce of the House
23 of Representatives.

24 (3) TERMINATION.—No report shall be required
25 to be submitted under this subsection after the sec-

1 ond consecutive report in which the number required
2 to be included in such report under paragraph
3 (1)(A) is zero.

4 (c) NOTICE TO GOVERNMENTS AND INTERNATIONAL
5 ORGANIZATIONS.—Not later than 30 days after the date
6 of the enactment of this Act, the Secretary of State shall
7 notify all foreign missions in the United States, permanent
8 missions to the United Nations, and the United Nations
9 Secretariat, that premium tax credits under section 36B
10 of the Internal Revenue Code of 1986 and cost-sharing
11 reductions under section 1402 the Patient Protection and
12 Affordable Care are not available to any of their personnel
13 who have the status in the United States as a non-
14 immigrant under section 101(a)(15)(A) or 101(a)(15)(G)
15 of the Immigration and Nationality Act (8 U.S.C.
16 1101(a)(15)(A), 1101(a)(15)(G)).