

2014 -- S 2511

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LC004535
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO INSURANCE -- INDIVIDUAL HEALTHCARE COVERAGE

Introduced By: Senators Goldin, Lynch, and Cool Rumsey

Date Introduced: February 27, 2014

Referred To: Senate Health & Human Services

(by request)

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 27-18.5 of the General Laws entitled "Individual Health Insurance
2 Coverage" is hereby amended by adding thereto the following section:

3 27-18.5-11. State coverage mandate. – (a) Commencing July 1, 2014, the following
4 individuals age eighteen (18) years and over shall obtain and maintain creditable coverage
5 pursuant to the provisions of the Affordable Care Act enacted by the Congress of the United
6 States:

7 (1) Residents of the state; or

8 (2) Individuals who become residents of the state within sixty-three (63) days thereof; or

9 (3) Residents who, within sixty-three (63) days, have terminated any prior creditable
10 coverage shall obtain and maintain creditable coverage within sixty-three (63) days of such
11 termination.

12 (b) Every person who files or is required to file an individual return as a resident of the
13 state, either separately or jointly with a spouse, shall indicate on the return, in a manner
14 prescribed by the tax administrator, whether such person, as of the last day of the taxable year for
15 which the return is filed:

16 (1) Had creditable coverage as required under subsection (a) of this section whether
17 covered as an individual or as a named beneficiary of a policy covering multiple individuals; or

18 (2) Claims an exemption under subsection (d) of this section.

19 (c)(1) If the person fails to comply with subsection (b) of this section, or indicates that he

1 or she did not have such coverage in force, then the tax shall be computed on the return without
2 benefit of the personal exemption set forth in § 44-30-2.6(c)(2)(E), or, in the case of a person who
3 files jointly with a spouse, without benefit of fifty percent (50%) of the personal exemption set
4 forth in § 44-30-2.6(c)(2)(E).

5 (2) If the person indicates that he or she had such creditable coverage available through
6 the state health insurance exchange but the tax administrator determines, based on the information
7 available to him or her, that the requirement of subsection (a) was not met, then the tax
8 administrator shall compute the tax for the taxable year without benefit of the personal exemption
9 set forth in § 44-30-2.6(c)(2)(E) or, in the case of a person who files jointly with a spouse,
10 without benefit of fifty percent (50%) of the personal exemption set forth in § 44-30-2.6(c)(2)(E).

11 (3) The tax administrator shall first give notice to such person of his or her intent to
12 recompute the tax and provide an opportunity for a hearing pursuant to the Administrative
13 Procedures Act.

14 (4) Whenever, under this section, the tax is computed without benefit of the personal
15 exemption, or without benefit of fifty percent (50%) of the personal exemption, the difference
16 between the tax so computed and the tax that would be computed in the absence of this section
17 shall constitute a penalty assessed under this section. The tax administrator shall have all
18 enforcement and collection procedures available under title 44 to collect the penalty assessed
19 under this section.

20 (5) The tax administrator shall deposit all penalties assessed under this section into the
21 state Health Care Trust Fund to be established by the general treasurer for the purpose of
22 defraying the administrative costs of the state health care exchange.

23 (d) An individual shall be exempt from subsection (c) of this section if he or she files a
24 sworn affidavit with his or her income tax return stating that he or she did not have creditable
25 coverage and that his or her sincerely held religious beliefs are the basis of his or her refusal to
26 obtain and maintain creditable coverage during the twelve (12) months of the taxable year for
27 which the return was filed. Any individual who claimed an exemption but received medical
28 health care during the taxable year for which the return is filed shall be liable for providing or
29 arranging for full payment for the medical health care and be subject to the penalty assessed
30 under subsection (c) of this section. The division of taxation and the state health care exchange
31 may conduct data matches for the purposes of administering this section. The exchange may
32 disclose to the division whether a health care provider has submitted data indicating that it has
33 provided health care services during the relevant tax year to an individual claiming an exemption
34 under this section.

1 (e) An individual subject to subsection (c) of this section, who disputes the determination
2 of applicability or affordability, as enforced by the division of taxation, may seek a review of this
3 determination through an appeal established by the state health commissioner; provided,
4 however, that no additional penalties shall be enforced against an individual seeking review until
5 the review is complete and any subsequent appeals are exhausted.

6 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO INSURANCE -- INDIVIDUAL HEALTHCARE COVERAGE

1 This act would establish a state individual health care coverage mandate requiring that
2 persons eighteen (18) years of age or older maintain creditable coverage pursuant to the Federal
3 Affordable Care Act and would impose tax penalties on individuals who fail to comply to be used
4 to defray the administrative costs of the state's health care exchange.

5 This act would take effect upon passage.

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