

107TH CONGRESS  
2D SESSION

# S. 1947

To amend title XIX of the Social Security Act to clarify the circumstances under which a hold harmless provision does not exist with respect to a broad-based health care related tax.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 14, 2002

Mrs. CARNAHAN introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XIX of the Social Security Act to clarify the circumstances under which a hold harmless provision does not exist with respect to a broad-based health care related tax.

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. CLARIFICATION OF CIRCUMSTANCES UNDER**  
 2 **WHICH A HOLD HARMLESS PROVISION DOES**  
 3 **NOT EXIST WITH RESPECT TO A BROAD-**  
 4 **BASED HEALTH CARE RELATED TAX.**

5 (a) AMENDMENT TO SOCIAL SECURITY ACT.—Sec-  
 6 tion 1903(w)(4)(C) of the Social Security Act (42 U.S.C.  
 7 1396b(w)(4)(C)) is amended—

8 (1) by striking “The” and inserting “(i) Subject  
 9 to clause (ii), the”; and

10 (2) by adding at the end the following:

11 “(ii) The State shall not be considered to have  
 12 provided an indirect guarantee to hold taxpayers  
 13 harmless with respect to a tax imposed on a class  
 14 of health care items and services if the tax is applied  
 15 at a rate that produces revenues that do not exceed  
 16 6 percent of the revenues received by the taxpayers  
 17 with respect to the fiscal year involved.”.

18 (b) EFFECTIVE DATE.—The amendments made by  
 19 subsection (a) shall take effect as if enacted on September  
 20 13, 1993.

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