

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.—Section 1903(w)(4)(C) of the Social Security Act (42 U.S.C. 1396b(w)(4)(C)) is amended—

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

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

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

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

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