

112TH CONGRESS
1ST SESSION

H. R. 524

To amend the Internal Revenue Code of 1986 to repeal the provisions of the Patient Protection and Affordable Care Act that limit distributions from medical-related tax-preferred accounts for medicines only if the medicines are prescribed drugs or insulin and to repeal the increase in additional tax on distributions from health savings accounts and Archer MSAs not used for qualified medical expenses.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 2011

Mr. QUAYLE introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to repeal the provisions of the Patient Protection and Affordable Care Act that limit distributions from medical-related tax-preferred accounts for medicines only if the medicines are prescribed drugs or insulin and to repeal the increase in additional tax on distributions from health savings accounts and Archer MSAs not used for qualified medical expenses.

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. SHORT TITLE.**

2 This Act may be cited as the “Restoring Consumer-
3 driven Health Care Act of 2011”.

4 **SEC. 2. REPEAL OF PATIENT PROTECTION AND AFFORD-
5 ABLE CARE ACT RULE LIMITING DISTRIBUTIONS FOR MEDICINE QUALIFIED ONLY IF
6 FOR PRESCRIBED DRUG OR INSULIN.**

8 (a) HSAs.—Subparagraph (A) of section 223(d)(2)
9 of the Internal Revenue Code of 1986 is amended by strik-
10 ing the last sentence.

11 (b) ARCHER MSAs.—Subparagraph (A) of section
12 220(d)(2) of such Code is amended by striking the last
13 sentence.

14 (c) HEALTH FLEXIBLE SPENDING ARRANGEMENTS
15 AND HEALTH REIMBURSEMENT ARRANGEMENTS.—Sec-
16 tion 106 of such Code is amended by striking subsection
17 (f).

18 (d) EFFECTIVE DATES.—

19 (1) DISTRIBUTIONS FROM SAVINGS AC-
20 COUNTS.—The amendments made by subsections (a)
21 and (b) shall apply to amounts paid with respect to
22 taxable years beginning after December 31, 2010.

23 (2) REIMBURSEMENTS.—The amendment made
24 by subsection (c) shall apply to expenses incurred
25 with respect to taxable years beginning after Decem-
26 ber 31, 2010.

1 **SEC. 3. REPEAL OF INCREASE IN ADDITIONAL TAX ON DIS-**
2 **TRIBUTIONS FROM HSAS AND ARCHER MSAS**
3 **NOT USED FOR QUALIFIED MEDICAL EX-**
4 **PENSES.**

5 (a) HSAS.—Section 223(f)(4)(A) of the Internal
6 Revenue Code of 1986 is amended by striking “20 per-
7 cent” and inserting “10 percent”.

8 (b) ARCHER MSAS.—Section 220(f)(4)(A) of such
9 Code is amended by striking “20 percent” and inserting
10 “15 percent”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to distributions made after Decem-
13 ber 31, 2010.

○