

PAPERWORK BURDEN REDUCTION ACT

JUNE 13, 2023.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SMITH of Missouri, from the Committee on Ways and Means, submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 3797]

The Committee on Ways and Means, to whom was referred the bill (H.R. 3797) to amend the Internal Revenue Code of 1986 to provide an alternative manner of furnishing certain health insurance coverage statements to individuals, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Paperwork Burden Reduction Act”.

SEC. 2. ALTERNATIVE MANNER OF FURNISHING CERTAIN HEALTH INSURANCE COVERAGE STATEMENTS TO INDIVIDUALS.

(a) REPORTING OF HEALTH INSURANCE COVERAGE.—Section 6055(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(3) ALTERNATIVE MANNER OF FURNISHING STATEMENTS.—For purposes of this subsection, any person required to make a return under subsection (a) shall be treated as timely furnishing the written statement required under paragraph (1) if—

“(A) such person provides clear, conspicuous, and accessible notice (at such time and in such manner as the Secretary may provide) that any individual to whom a statement would otherwise be required to be furnished under paragraph (1) may request a copy of such statement, and

“(B) such person, on request of any such individual, furnishes a copy of such statement to such individual not later than the later of—

“(i) January 31 of the year following the calendar year for which the return under subsection (a) was required to be made, or

“(ii) 30 days after the date of such request.”.

(b) CERTAIN EMPLOYERS REQUIRED TO REPORT ON HEALTH INSURANCE COVERAGE.—Section 6056(c) of such Code is amended by adding at the end the following new paragraph:

“(3) ALTERNATIVE MANNER OF FURNISHING STATEMENTS.—For purposes of this subsection, any person required to make a return under subsection (a) shall be treated as timely furnishing the written statement required under paragraph (1) if—

“(A) such person provides clear, conspicuous, and accessible notice (at such time and in such manner as the Secretary may provide) that any individual to whom a statement would otherwise be required to be furnished under paragraph (1) may request a copy of such statement, and

“(B) such person, on request of any such individual, furnishes a copy of such statement to such individual not later than the later of—

“(i) January 31 of the year following the calendar year for which the return under subsection (a) was required to be made, or

“(ii) 30 days after the date of such request.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to statements with respect to returns for calendar years after 2023.

I. SUMMARY AND BACKGROUND

A. PURPOSE AND SUMMARY

The bill, H.R. 3797, the “Paperwork Burden Reduction Act,” as ordered reported by the Committee on Ways and Means on June 7, 2023, codifies the Treasury rule (26 CFR 1.6055–1; 26 CFR 301.6056–1) allowing for 1095–B forms available to be requested online and extend this flexibility to employers providing 1095–C forms.

B. BACKGROUND AND NEED FOR LEGISLATION

Every year, the IRS requires reporting entities to provide individuals with information regarding their health insurance cov-

erage. The Tax Cuts and Jobs Act (PL 115–97) reduced the individual shared responsibility payment amount (individual mandate) to zero dollars. 1095–B forms are used by the IRS to verify coverage for the purposes of administering the individual mandate. In December 2022, the Treasury Department finalized a rule giving reporting entities an alternative manner of furnishing 1095–B statements due to the reduced importance of the individual mandate penalty. If the reporting entity chooses not to mail an individual their 1095–B form, they would be required to post a clear and conspicuous notice on the entity’s website stating that responsible individuals may receive a copy of their 1095–B statement upon request. The notice is required to include an email address, a physical address to which a request may be sent, and a telephone number responsible individuals may use to contact a reporting entity with any questions. In the final rule, the Treasury Department noted they did not feel they had the authority to extend this flexibility to a similar form, the 1095–C. 1095–C forms are used by individuals who decline their employer coverage offer because it’s unaffordable, enroll in and pay for exchange coverage, then request a premium tax credit with their subsequent tax return. According to estimates from the Centers for Medicare and Medicaid Services provided to the Committee, less than 1% of 2023 federal exchange enrollees receiving a premium tax credit attested to being offered employer sponsored coverage that did not meet the minimum value standard or was unaffordable. Ways and Means majority felt the 1095–C form should be treated with the same option of an alternative manner of furnishing because the form is unnecessary for the vast majority of individuals.

C. LEGISLATIVE HISTORY

Background

H.R. 3797 was introduced on June 5, 2023, and was referred to the Committee on Ways and Means.

Committee hearings

On Thursday, March 23, 2023, the Ways and Means Subcommittee on Health held hearing on “Why Health Care is Unaffordable: The Fallout of Democrats” Inflation on Patients and Small Businesses”.

Committee action

The Committee on Ways and Means marked up H.R. 3797, the “Paperwork Burden Reduction Act,” on June 7, 2023, and ordered the bill, as amended, favorably reported (with a quorum being present).

D. LEGISLATIVE HISTORY

Pursuant to clause 3(c)(6) of rule XIII, the following hearings were used to develop and consider H.R. 3797:

(1) Committee on Ways and Means Subcommittee on Health “Why Health Care is Unaffordable: The Fallout of Democrats” Inflation on Patients and Small Businesses”.

II. EXPLANATION OF THE BILL

A. ALTERNATIVE MANNER OF FURNISHING CERTAIN HEALTH INSURANCE COVERAGE STATEMENTS TO INDIVIDUALS (SEC. 2 OF THE BILL AND SECS. 6055 AND 6056 OF THE CODE)

PRESENT LAW

Minimum essential coverage

The Patient Protection and Affordable Care Act (“PPACA”)¹ required individuals to have minimum essential health insurance coverage,² to qualify for an exemption from the coverage requirements, or to make a shared responsibility payment for failure to maintain the coverage (commonly referred to as the “individual mandate”).³ However, beginning in 2019, the amount of the shared responsibility payment was reduced to zero.⁴

Certain employers must offer minimum essential coverage to employees or must pay a penalty. Specifically, an applicable large employer that does not offer minimum essential coverage for all of its full-time employees, that offers minimum essential coverage that is unaffordable, or that offers minimum essential coverage that consists of a plan under which the plan’s share of the total allowed cost of benefits is less than 60 percent, is required to pay a penalty if any full-time employee is certified to the employer as having purchased health insurance through an Exchange⁵ with respect to which a tax credit or cost-sharing reduction is allowed or paid to the employee.⁶ An applicable large employer is generally defined, with respect to a calendar year, as an employer who employed an average of at least 50 full-time employees on business days during the preceding calendar year.⁷

Reporting of health insurance coverage (Form 1095-B)

A person (including a health insurance issuer or an employer that self-insures) that provides minimum essential coverage to any individual during a calendar year (“reporting entity”) must file an information return and transmittal reporting certain health insurance coverage information and must furnish statements to responsible individuals on forms prescribed by the Internal Revenue Service (“IRS”).⁸ For this purpose, the responsible individual includes a primary insured, employee, former employee, uniformed services sponsor, parent, or other related person named on an application who enrolls one or more individuals, including him or herself, in minimum essential coverage.⁹ In the case of coverage provided by

¹Pub. L. No. 111-148, March 23, 2010, as amended by the Health Care and Education Reconciliation Act of 2010, March 30, 2010, Pub. L. No. 111-152.

²As defined under section 5000A(f).

³Sec. 5000A. If an individual is a dependent, as defined in section 152, of another taxpayer, the other taxpayer is liable for any tax for failure to maintain the required coverage with respect to the individual. Sec. 5000A(b)(3)(A).

⁴Secs. 5000A(c)(2)(B)(iii); (c)(3)(A). These changes were effective for months beginning after December 31, 2018. Pub. L. No. 115-97, secs. 11081(a)(1)–(2), July 20, 2018.

⁵An Exchange established under section 1311 of the PPACA.

⁶Sec. 4980H(a), (b); sec. 36B(c)(2)(C).

⁷Sec. 4980H(c)(2). An employer is not considered to employ more than 50 full-time employees if (1) the employer’s workforce exceeds 50 full-time employees for 120 days or fewer during the calendar year, and (2) the employees in excess of 50 employed during such 120-day period were seasonal workers. All persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 are treated as one employer.

⁸Sec. 6055; Treas. Reg. sec. 1.6055-1(a).

⁹Treas. Reg. sec. 1.6055-1(b)(11).

a governmental unit, or by any agency or instrumentality thereof, the reporting requirement applies to the officer or employee who enters into the agreement to provide the health insurance coverage (or their designee).¹⁰

The information required to be reported includes: (1) the name, address, and taxpayer identification number of the responsible individual (unless the individual is not enrolled in the coverage), and the name and taxpayer identification number of each other individual obtaining coverage under the policy; (2) the dates during which the individual was covered under the policy during the calendar year; (3) whether the coverage is a qualified health plan offered through an Exchange; (4) the amount of any premium tax credit¹¹ or cost-sharing reduction received by the individual with respect to such coverage;¹² and (5) such other information as the Secretary of Treasury (“Secretary”) may require.¹³

To the extent health insurance coverage is provided through an employer-sponsored group health plan, the reporting entity is also required to report the name, address and employer identification number of the employer, the portion of the premium, if any, required to be paid by the employer, and any other information the Secretary may require to administer the tax credit for eligible small employers.¹⁴

Time and manner of reporting, in general

The reporting entity is required to report the above information, along with the name, address and contact information of the reporting insurer, to the IRS on or before February 28 (March 31 if filing electronically) of the year following the calendar year to which the information relates and to furnish the information in a written statement to the responsible individual on or before January 31 of the year following the calendar year to which the statement relates.¹⁵ Reporting entities are permitted an automatic 30-day extension to provide the written statement to individuals.¹⁶

The IRS has generally designated Form 1094-B, *Transmittal of Health Coverage Information Returns*, and Form 1095-B, *Health Coverage*, for reporting entities to meet these requirements. However, an applicable large employer that offers coverage through a self-insured health plan generally reports this information using Part III of the Form 1095-C, *Employer-Provided Health Insurance Offer and Coverage*, which is the form that is also used by applicable large employers—whether self-insured or not—for the separate requirement (described below) of reporting offers of health insurance coverage for their employees.¹⁷

¹⁰ Sec. 6055(d).

¹¹ Sec. 36B.

¹² The amount of any cost-sharing reduction under section 1402 of the PPACA.

¹³ Sec. 6055(b). See Treas. Reg. sec. 1.6055-1(d), (e).

¹⁴ Sec. 6055(b)(2). The tax credit is under section 45R.

¹⁵ Treas. Reg. sec. 1.6055-1(f)(1), (g)(4)(i).

¹⁶ Treas. Reg. sec. 1.6055-1(g)(4)(i).

¹⁷ Treas. Reg. sec. 1.6055-1(f)(2). Thus, an employer with a self-insured health plan may use the Form 1095-C to satisfy both the requirements of sections 6055 (relating to insurer reporting of health insurance coverage) and 6056 (relating to applicable large employer reporting of health insurance coverage offered to employees).

A reporting entity that fails to comply with these reporting requirements is subject to the penalties for failure to file an information return and failure to furnish payee statements, respectively.¹⁸

Alternative manner of furnishing

Under Treasury regulations, instead of furnishing a written statement to a responsible individual, reporting entities are permitted to provide a notice on their website, provided that certain requirements are met, stating that responsible individuals may receive a copy of their statement upon request.¹⁹ The notice must be clear and conspicuous, and in a location on the website that is reasonably accessible to all responsible individuals. It must include an email address, a physical address to which a request for a statement may be sent, and a telephone number that responsible individuals may use to contact the insurer with any questions. A notice satisfies these requirements if it is written in plain, non-technical terms and with letters of a font size large enough, including any visual clues or graphical figures, to call to a viewer's attention that the information pertains to tax statements reporting that individuals had health coverage.

For example, a website provides a clear and conspicuous notice if it includes a statement on the main page (or a link on the main page, reading "Tax Information," to a secondary page that includes a statement) in capital letters, "IMPORTANT HEALTH COVERAGE TAX DOCUMENTS"; explains how responsible individuals may request a copy of Form 1095-B; and includes the reporting entity's email address, mailing address, and telephone number. This alternative manner of furnishing the statement is also available to a self-insured applicable large employer that uses the Form 1095-C to meet these reporting requirements, but only with respect to non-full-time employees and non-employees who are enrolled in the group health plan.²⁰

The reporting entity also must post the notice on its website no later than the date that the statements are otherwise required to be furnished to individuals, and must retain the notice in the same location on its website through October 15 of the year following the calendar year to which the statements relate.²¹ Lastly, the reporting entity must furnish the statement to a requesting responsible individual within 30 days of the date the request is received.²²

Reporting by applicable large employers on health insurance coverage (Form 1095-C)

An applicable large employer must file an information return and transmittal reporting certain health insurance coverage information, and furnish statements to full-time employees, on forms prescribed by the IRS.²³ In the case of coverage provided by a governmental unit, or any agency or instrumentality thereof, the report-

¹⁸ Secs. 6721, 6722; Treas. Reg. sec. 1.6055-1(h).

¹⁹ Treas. Reg. sec. 1.6055-1(g)(4)(ii)(B). The alternative manner of furnishing is only available for a calendar year for which the individual shared responsibility payment is zero (2019 or later).

²⁰ Treas. Reg. sec. 1.6055-1(g)(4)(ii)(B).

²¹ Or the first business day after October 15, if October 15 falls on a Saturday, Sunday or legal holiday.

²² Treas. Reg. sec. 1.6055-1(g)(4)(ii)(B). The reporting entity may furnish the statement electronically pursuant to Treas. Reg. secs. 1.6055-2(a)(2) through (6).

²³ Sec. 6056(a).

ing requirement applies to the person or employee appropriately designated for purposes of making the returns and statements required by the provision.²⁴

The information required to be reported includes: (1) the name, address and employer identification number of the employer; (2) a certification as to whether the employer offers its full-time employees and their dependents the opportunity to enroll in minimum essential coverage under an eligible employer-sponsored plan;²⁵ (3) if the employer so certifies, (i) the length of any waiting period with respect to such coverage, (ii) the months coverage was available, (iii) the monthly premium for the lowest cost option in each of the enrollment categories, and (iv) the employer's share of the total allowed costs of benefits provided; (4) the number of full-time employees of the employer for each month during the calendar year; (5) the name, address and taxpayer identification number of each full-time employee employed by the employer during the calendar year and the number of months, if any, during which the employee (and any dependents) was covered under a plan sponsored by the employer during the calendar year; and (6) such other information as the Secretary may require.²⁶

The employer is required to file the return and transmittal on or before February 28 (March 31 if filing electronically) of the year succeeding the calendar year to which it relates.²⁷ The employer must also provide a written statement to each full-time employee named in the return that includes the information required to be reported with respect to that employee, along with the name, address, and contact information of the reporting employer, on or before January 31 of the year following the calendar year for which the return is required to be filed.²⁸ Employers are permitted an automatic 30-day extension to provide the written statement to individuals.²⁹

The IRS generally has designated Form 1094-C, *Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns*, and Form 1095-C, *Employer-Provided Health Insurance Offer and Coverage*, for employers to meet these requirements.

An employer that fails to comply with these reporting requirements is subject to the penalties for failure to file an information return and failure to furnish payee statements, respectively.³⁰

Treasury regulations do not provide for an alternative manner of furnishing the written statement upon the request of the individual.

REASONS FOR CHANGE

The Committee wishes to reduce the administrative and paperwork burdens that the present law reporting requirements relating to the Form 1095-C place on certain employers with respect to their full-time employees. The vast majority of employees do not need to use the Form 1095-C and may be confused when they receive it. The Committee believes businesses, particularly smaller

²⁴ Sec. 6056(e).

²⁵ As defined in section 5000A(f)(2).

²⁶ Sec. 6056(b). See Treas. Reg. sec. 301.6056-1.

²⁷ Treas. Reg. sec. 301.6056-1(e).

²⁸ Sec. 6056(c).

²⁹ Treas. Reg. sec. 301.6056-1(g)(1).

³⁰ Secs. 6721, 6722; Treas. Reg. sec. 301.6056-1(i).

businesses that nonetheless qualify as applicable large employers, should be permitted to save time and money by no longer being required to furnish the Form 1095-C to employees, except upon request.

The Committee believes that the Treasury regulations allowing reporting entities to use the alternative manner furnishing of Form 1095-B³¹ have successfully reduced taxpayer administrative burdens and confusion. The Committee wishes to ensure that such rules are retained, and to extend such rules to the furnishing of the Form 1095-C.

EXPLANATION OF PROVISION

Reporting of health insurance coverage (Form 1095-B)

The provision provides that any person required to make a return on account of providing minimum essential coverage to an individual is treated as timely furnishing the required written statement to an individual if (1) the person provides clear, conspicuous, and accessible notice (at such time and in such manner as the Secretary may provide) that the individual may request a copy of the statement, and (2) on request of any such individual, the person furnishes a copy of the statement to the individual by the later of (i) January 31 of the year following the calendar year for which the return was required to be made, or (ii) 30 days after the date of such request.

Thus, the provision codifies the rules under Treasury regulations that permit an alternative manner of furnishing the written statement (the Form 1095-B, or in certain cases of self-insured applicable large employers, the Form 1095-C) by furnishing the statement upon the request of the individual.

Reporting by applicable large employers on health insurance coverage (Form 1095-C)

The provision provides that the alternative manner of furnishing a written statement also applies to the required written statement (the Form 1095-C) that applicable large employers must furnish to full-time employees. Under the provision, an applicable large employer is treated as timely furnishing the required written statement on health insurance coverage to a full-time employee if (1) the employer provides clear, conspicuous, and accessible notice (at such time and in such manner as the Secretary may provide) that the individual may request a copy of the statement, and (2) on request of any such individual, the employer furnishes a copy of the statement to the individual by the later of (i) January 31 of the year following the calendar year for which the return was required to be made, or (ii) 30 days after the date of such request.

EFFECTIVE DATE

The provision is effective for statements with respect to returns for calendar years after 2023.

³¹And for self-insured employers with respect to non-full-time employees and non-employees, the 1095-C.

III. VOTE OF THE COMMITTEE

Pursuant to clause 3(b) of rule XIII of the Rules of the House of Representatives, the following statement is made concerning the vote of the Committee on Ways and Means in its consideration of H.R. 3797, the “Paperwork Burden Reduction Act,” on June 7, 2023.

The bill, H.R. 3797, the “Paperwork Burden Reduction Act,” as amended, was ordered favorably reported to the House of Representatives by a recorded vote of 38 yeas to 0 nays (with a quorum being present).

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. Smith (MO)	X	.....	.....	Mr. Neal .....	.....	.....	.....
Mr. Buchanan	X	.....	.....	Mr. Doggett	X	.....	.....
Mr. Smith (NE)	X	.....	.....	Mr. Thompson	X	.....	.....
Mr. Kelly	X	.....	.....	Mr. Larson	X	.....	.....
Mr. Schweikert	X	.....	.....	Mr. Blumenauer	X	.....	.....
Mr. LaHood	X	.....	.....	Mr. Pascrell	X	.....	.....
Dr. Wenstrup	X	.....	.....	Mr. Davis	X	.....	.....
Mr. Arrington	X	.....	.....	Ms. Sanchez .....	.....	.....	.....
Dr. Ferguson	X	.....	.....	Mr. Higgins	X	.....	.....
Mr. Estes	X	.....	.....	Ms. Sewell .....	.....	.....	.....
Mr. Smucker .....	.....	.....	.....	Ms. DelBene .....	.....	.....	.....
Mr. Hern	X	.....	.....	Ms. Chu	X	.....	.....
Ms. Miller	X	.....	.....	Ms. Moore	X	.....	.....
Dr. Murphy	X	.....	.....	Mr. Kildee	X	.....	.....
Mr. Kustoff	X	.....	.....	Mr. Beyer	X	.....	.....
Mr. Fitzpatrick	X	.....	.....	Mr. Evans	X	.....	.....
Mr. Steube	X	.....	.....	Mr. Schneider	X	.....	.....
Ms. Tenney	X	.....	.....	Mr. Panetta	X	.....	.....
Mrs. Fischbach	X	.....	.....		
Mr. Moore	X	.....	.....		
Mrs. Steel	X	.....	.....		
Ms. Van Duyn	X	.....	.....		
Mr. Feenstra	X	.....	.....		
Ms. Malliotakis	X	.....	.....		
Mr. Carey	X	.....	.....		

IV. BUDGET EFFECTS OF THE BILL

A. COMMITTEE ESTIMATE OF BUDGETARY EFFECTS

In compliance with clause 3(d) of rule XIII of the Rules of the House of Representatives, the following statement is made concerning the effects on the budget of the bill, H.R. 3797, as reported.

The bill is estimated to have no effect on the Federal fiscal year budget receipts for the period 2023 through 2033.

B. STATEMENT REGARDING NEW BUDGET AUTHORITY AND TAX EXPENDITURES BUDGET AUTHORITY

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee states that the bill involves no new or increased budget authority. The Committee states further that the bill involves no new or increased tax expenditures.

C. COST ESTIMATE PREPARED BY THE CONGRESSIONAL BUDGET OFFICE

The Committee has requested but not received from the Director of the Congressional Budget Office a statement as to whether this

bill contains any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

V. OTHER MATTERS TO BE DISCUSSED UNDER THE RULES OF THE HOUSE

A. COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee made findings and recommendations that are reflected in this report.

B. STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

With respect to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee advises that the bill does not authorize funding, so no statement of general performance goals and objectives is required.

C. INFORMATION RELATING TO UNFUNDED MANDATES

This information is provided in accordance with section 423 of the Unfunded Mandates Reform Act of 1995 (Pub. L. No. 104–4).

The Committee has determined that the bill does not contain Federal mandates on the private sector. The Committee has determined that the bill does not impose a Federal intergovernmental mandate on State, local, or tribal governments.

D. CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the bill, and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

E. TAX COMPLEXITY ANALYSIS

Pursuant to clause 3(h)(1) of rule XIII of the Rules of the House of Representatives, the staff of the Joint Committee on Taxation has determined that a complexity analysis is not required under section 4022(b) of the IRS Reform Act because the bill contains no provisions that amend the Internal Revenue Code of 1986 and that have “widespread applicability” to individuals or small businesses, within the meaning of the rule.

F. DUPLICATION OF FEDERAL PROGRAMS

In compliance with clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes: (1) a program of the Federal Government known to be duplicative of another Federal program; (2) a program included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139; or (3) a program related to a program identified in the most recent Catalog of Federal Domestic Assistance, published

pursuant to the Federal Program Information Act (Pub. L. No. 95-220, as amended by Pub. L. No. 98-169).

VI. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

A. CHANGES IN EXISTING LAW PROPOSED BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

INTERNAL REVENUE CODE OF 1986

* * * * *

Subtitle F—Procedure and Administration

* * * * *

CHAPTER 61—INFORMATION AND RETURNS

* * * * *

Subchapter A—RETURNS AND RECORDS

* * * * *

PART III—INFORMATION RETURNS

* * * * *

Subpart D—INFORMATION REGARDING HEALTH INSURANCE COVERAGE

* * * * *

SEC. 6055. REPORTING OF HEALTH INSURANCE COVERAGE.

(a) **IN GENERAL.**—Every person who provides minimum essential coverage to an individual during a calendar year shall, at such time as the Secretary may prescribe, make a return described in subsection (b).

(b) **FORM AND MANNER OF RETURN.**—

(1) **IN GENERAL.**—A return is described in this subsection if such return—

(A) is in such form as the Secretary may prescribe, and

(B) contains—

(i) the name, address and TIN of the primary insured and the name and TIN of each other individual obtaining coverage under the policy,

(ii) the dates during which such individual was covered under minimum essential coverage during the calendar year,

(iii) in the case of minimum essential coverage which consists of health insurance coverage, information concerning—

(I) whether or not the coverage is a qualified health plan offered through an Exchange established under section 1311 of the Patient Protection and Affordable Care Act, and

(II) in the case of a qualified health plan, the amount (if any) of any advance payment under section 1412 of the Patient Protection and Affordable Care Act of any cost-sharing reduction under section 1402 of such Act or of any premium tax credit under section 36B with respect to such coverage, and

(iv) such other information as the Secretary may require.

(2) INFORMATION RELATING TO EMPLOYER-PROVIDED COVERAGE.—If minimum essential coverage provided to an individual under subsection (a) consists of health insurance coverage of a health insurance issuer provided through a group health plan of an employer, a return described in this subsection shall include—

(A) the name, address, and employer identification number of the employer maintaining the plan,

(B) the portion of the premium (if any) required to be paid by the employer, and

(C) if the health insurance coverage is a qualified health plan in the small group market offered through an Exchange, such other information as the Secretary may require for administration of the credit under section 45R (relating to credit for employee health insurance expenses of small employers).

(c) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REPORTED.—

(1) IN GENERAL.—Every person required to make a return under subsection (a) shall furnish to each individual whose name is required to be set forth in such return a written statement showing—

(A) the name and address of the person required to make such return and the phone number of the information contact for such person, and

(B) the information required to be shown on the return with respect to such individual.

(2) TIME FOR FURNISHING STATEMENTS.—The written statement required under paragraph (1) shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) was required to be made.

(3) ALTERNATIVE MANNER OF FURNISHING STATEMENTS.—*For purposes of this subsection, any person required to make a return under subsection (a) shall be treated as timely furnishing the written statement required under paragraph (1) if—*

(A) such person provides clear, conspicuous, and accessible notice (at such time and in such manner as the Secretary may provide) that any individual to whom a state-

ment would otherwise be required to be furnished under paragraph (1) may request a copy of such statement, and (B) such person, on request of any such individual, furnishes a copy of such statement to such individual not later than the later of—

(i) January 31 of the year following the calendar year for which the return under subsection (a) was required to be made, or

(ii) 30 days after the date of such request.

(d) **COVERAGE PROVIDED BY GOVERNMENTAL UNITS.**—In the case of coverage provided by any governmental unit or any agency or instrumentality thereof, the officer or employee who enters into the agreement to provide such coverage (or the person appropriately designated for purposes of this section) shall make the returns and statements required by this section.

(e) **MINIMUM ESSENTIAL COVERAGE.**—For purposes of this section, the term “minimum essential coverage” has the meaning given such term by section 5000A(f).

SEC. 6056. CERTAIN EMPLOYERS REQUIRED TO REPORT ON HEALTH INSURANCE COVERAGE.

(a) **IN GENERAL.**—Every applicable large employer required to meet the requirements of section 4980H with respect to its full-time employees during a calendar year shall, at such time as the Secretary may prescribe, make a return described in subsection (b).

(b) **FORM AND MANNER OF RETURN.**—A return is described in this subsection if such return—

(1) is in such form as the Secretary may prescribe, and

(2) contains—

(A) the name, date, and employer identification number of the employer,

(B) a certification as to whether the employer offers to its full-time employees (and their dependents) the opportunity to enroll in minimum essential coverage under an eligible employer-sponsored plan (as defined in section 5000A(f)(2)),

(C) if the employer certifies that the employer did offer to its full-time employees (and their dependents) the opportunity to so enroll—

(i) the length of any waiting period (as defined in section 2701(b)(4) of the Public Health Service Act) with respect to such coverage,

(ii) the months during the calendar year for which coverage under the plan was available,

(iii) the monthly premium for the lowest cost option in each of the enrollment categories under the plan, and

(iv) the employer share of the total allowed costs of benefits provided under the plan,

(D) the number of full-time employees for each month during the calendar year,

(E) the name, address, and TIN of each full-time employee during the calendar year and the months (if any) during which such employee (and any dependents) were covered under any such health benefits plans, and

(F) such other information as the Secretary may require.

The Secretary shall have the authority to review the accuracy of the information provided under this subsection, including the applicable large employer's share under paragraph (2)(C)(iv).

(c) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REPORTED.—

(1) IN GENERAL.—Every person required to make a return under subsection (a) shall furnish to each full-time employee whose name is required to be set forth in such return under subsection (b)(2)(E) a written statement showing—

(A) the name and address of the person required to make such return and the phone number of the information contact for such person, and

(B) the information required to be shown on the return with respect to such individual.

(2) TIME FOR FURNISHING STATEMENTS.—The written statement required under paragraph (1) shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) was required to be made.

(3) ALTERNATIVE MANNER OF FURNISHING STATEMENTS.—*For purposes of this subsection, any person required to make a return under subsection (a) shall be treated as timely furnishing the written statement required under paragraph (1) if—*

(A) such person provides clear, conspicuous, and accessible notice (at such time and in such manner as the Secretary may provide) that any individual to whom a statement would otherwise be required to be furnished under paragraph (1) may request a copy of such statement, and

(B) such person, on request of any such individual, furnishes a copy of such statement to such individual not later than the later of—

(i) January 31 of the year following the calendar year for which the return under subsection (a) was required to be made, or

(ii) 30 days after the date of such request.

(d) COORDINATION WITH OTHER REQUIREMENTS.—To the maximum extent feasible, the Secretary may provide that—

(1) any return or statement required to be provided under this section may be provided as part of any return or statement required under section 6051 or 6055, and

(2) in the case of an applicable large employer offering health insurance coverage of a health insurance issuer, the employer may enter into an agreement with the issuer to include information required under this section with the return and statement required to be provided by the issuer under section 6055.

(e) COVERAGE PROVIDED BY GOVERNMENTAL UNITS.—In the case of any applicable large employer which is a governmental unit or any agency or instrumentality thereof, the person appropriately designated for purposes of this section shall make the returns and statements required by this section.

(f) DEFINITIONS.—For purposes of this section, any term used in this section which is also used in section 4980H shall have the meaning given such term by section 4980H.

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VII. DISSENTING VIEWS

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, June 7, 2023.

DISSENTING VIEWS ON THE PAPERWORK BURDEN REDUCTION ACT, H.R.
3797

H.R. 3797, the Paperwork Burden Reduction Act (Rep. Smith, R-MO, Rep. Panetta, D-CA) would codify the rules under the United States Department of Treasury (Treasury) regulations that permit an alternative manner of furnishing certain Internal Revenue Service (IRS) forms, Form 1095-B or Form 1095-C in certain cases of self-insured applicable large employers, by furnishing the statement upon the request of the individual. These forms describe whether the employer offers or the employee elects employer-sponsored health insurance coverage.

While H.R. 3797 codifies existing practice, this bill does not address the lack of information that consumers need to navigate health insurance choices. The legislation codifies existing Treasury regulations allowing employer to send the forms upon request if employers prominently display how employees can access the forms, instead of mailing the form to all employees. However, these forms do not sufficiently or clearly describe whether an employer's health insurance offer is affordable, and particularly important for low-income workers, whether they can access potentially more affordable subsidized marketplace coverage.

There is more work we can do to support employers, consumers, and streamline reporting. If workers do not understand their coverage options, they may incorrectly choose coverage that has higher out-of-pocket costs. Improving the information provided to employees to include comprehensive information about the affordability and value of their health care coverage and how it compares to subsidized coverage in the marketplace could help.

This legislation may inappropriately tie the IRS' hands in the event that future flexibility is needed to work with reporting entities. While codifications of existing regulations may provide certainty for reporting entities for the time being, this codification could hamper IRS flexibility to improve processes in the future.

RICHARD E. NEAL,
Ranking Member.

RANKING MEMBER RICHARD E. NEAL, OPENING STATEMENT, COMMITTEE ON WAYS AND MEANS MARKUP OF H.R. 3797, *Wednesday, June 7, 2023*

Thank you, Mr. Chairman. I'd like I yield to Congressman Pannetta and thank you both for your work on this issue.

REP. PANETTA REMARKS ON H.R. 3797, THE PAPERWORK BURDEN
REDUCTION ACT WAYS AND MEANS COMMITTEE MARKUP, *Wednes-*
day, June 7, 2023

Thank you, representative Chu, and, of course, thank you Chairman Smith for this opportunity to lead with you on this bipartisan, very very common-sense measure that, as you appropriately summed up, will ease confusion for taxpayers and paperwork for small business employers and employees.

As you mentioned, Mr. Chair, under current law employers must send a 1095 tax form to employees to verify their health coverage for the previous year. However, employees no longer need this form to complete their taxes.

So, the form is, really, an unnecessary burden and just a waste. Now, this administration has already moved to reduce the need for this unnecessary paperwork and that's why I am proud, Mr. Chairman, to work with you to continue this effort and end the burdensome requirement to have business send a printed form that for most taxpayers serves absolutely no purpose.

The "PBR Act," as I call it—the Paperwork Burden Reduction Act—will allow employers to provide a 1095-B or 1095-C form upon request rather than wasting time, money, and paper. It's kind of an easy bill—easy fix—and if you ask me an easy yes vote.

So, I urge my colleagues to support this common-sense, bipartisan legislation, and I thank you Mr. Chairman for your leadership on this bill.

I yield back.

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