

SEC. 1004. INCOME DEFINITIONS.

(a) MODIFIED ADJUSTED GROSS INCOME.—

(1) IN GENERAL.—*【Amended section 36B(d)(2)(A)(i) & (ii) of the IRC, added by section 1401 of PPACA, 6103(l)(21)(A)(iv) of IRC, added by section 1414 of PPACA, and 5000A(c)(4)【sic】(i) & (ii) of IRC, added by section 1501(b) of PPACA—executed as if referenced 5000A(c)(4)(B)】*

(2) DEFINITION.—

(A) 【Replaced section 36(d)(2)(B) of IRC】

(B) 【Replaced section 5000A(c)(4)(C) of the IRC】

(b) MODIFIED ADJUSTED GROSS INCOME DEFINITION.—

(1) MEDICAID.—*【Amended section 1902(e)(14) of the Social Security Act, added by section 2002(a) of PPACA, and 1902(gg)(4)(A) of the SSA, added by section 2001(b) of PPACA】*

(2) CHIP.—

June 9, 2010

(A) STATE PLAN REQUIREMENTS.—**[Amended section 2102(b)(1)(B)(v) of the Social Security Act, added by section 2101(d)(1) of PPACA]**.

(B) PLAN ADMINISTRATION.—**[Amended section 2107(e)(1)(E) of the SSA, added by section 2101(d)(2) of PPACA]**

(c) NO EXCESS PAYMENTS.—**[Added paragraph (3) to section 36B(f) of the IRC, added by section 1401(a) of PPACA]**

(d) ADULT DEPENDENTS.—

(1) EXCLUSION OF AMOUNTS EXPENDED FOR MEDICAL CARE.—The first sentence of section 105(b) of the Internal Revenue Code of 1986 (relating to amounts expended for medical care) is amended—

(A) by striking “and his dependents” and inserting “his dependents”; and

(B) by inserting before the period the following: “, and any child (as defined in section 152(f)(1)) of the taxpayer who as of the end of the taxable year has not attained age 27”.

(2) SELF-EMPLOYED HEALTH INSURANCE DEDUCTION.—Section 162(l)(1) of such Code is amended to read as follows:

“(1) ALLOWANCE OF DEDUCTION.—In the case of a taxpayer who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for—

“(A) the taxpayer,

“(B) the taxpayer’s spouse,

“(C) the taxpayer’s dependents, and

“(D) any child (as defined in section 152(f)(1)) of the taxpayer who as of the end of the taxable year has not attained age 27.”.

(3) COVERAGE UNDER SELF-EMPLOYED DEDUCTION.—Section 162(l)(2)(B) of such Code is amended by inserting “, or any dependent, or individual described in subparagraph (D) of paragraph (1) with respect to,” after “spouse of”.

(4) SICK AND ACCIDENT BENEFITS PROVIDED TO MEMBERS OF A VOLUNTARY EMPLOYEES’ BENEFICIARY ASSOCIATION AND THEIR DEPENDENTS.—Section 501(c)(9) of such Code is amended by adding at the end the following new sentence: “For purposes of providing for the payment of sick and accident benefits to members of such an association and their dependents, the term ‘dependent’ shall include any individual who is a child (as defined in section 152(f)(1)) of a member who as of the end of the calendar year has not attained age 27.”.

(5) MEDICAL AND OTHER BENEFITS FOR RETIRED EMPLOYEES.—Section 401(h) of such Code is amended by adding at the end the following: “For purposes of this subsection, the term ‘dependent’ shall include any individual who is a child (as defined in section 152(f)(1)) of a retired employee who as of the end of the calendar year has not attained age 27.”.

(e) FIVE PERCENT INCOME DISREGARD FOR CERTAIN INDIVIDUALS.—**[Amended section 1902(e)(14) of the SSA, added by section 2002(a) of PPACA, including adding a subparagraph (I)]**

