

SEC. 9021. EXCLUSION OF HEALTH BENEFITS PROVIDED BY INDIAN TRIBAL GOVERNMENTS.

(a) **IN GENERAL.**—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 139C the following new section:

“SEC. 139D. INDIAN HEALTH CARE BENEFITS.

“(a) **GENERAL RULE.**—Except as otherwise provided in this section, gross income does not include the value of any qualified Indian health care benefit.

“(b) **QUALIFIED INDIAN HEALTH CARE BENEFIT.**—For purposes of this section, the term ‘qualified Indian health care benefit’ means—

“(1) any health service or benefit provided or purchased, directly or indirectly, by the Indian Health Service through a grant to or a contract or compact with an Indian tribe or tribal organization, or through a third-party program funded by the Indian Health Service,

“(2) medical care provided or purchased by, or amounts to reimburse for such medical care provided by, an Indian tribe or tribal organization for, or to, a member of an Indian tribe, including a spouse or dependent of such a member,

“(3) coverage under accident or health insurance (or an arrangement having the effect of accident or health insurance), or an accident or health plan, provided by an Indian tribe or tribal organization for medical care to a member of an Indian tribe, include a spouse or dependent of such a member, and

“(4) any other medical care provided by an Indian tribe or tribal organization that supplements, replaces, or substitutes for a program or service relating to medical care provided by the Federal government to Indian tribes or members of such a tribe.

“(c) **DEFINITIONS.**—For purposes of this section—

“(1) **INDIAN TRIBE.**—The term ‘Indian tribe’ has the meaning given such term by section 45A(c)(6).

“(2) TRIBAL ORGANIZATION.—The term ‘tribal organization’ has the meaning given such term by section 4(l) of the Indian Self-Determination and Education Assistance Act.

“(3) MEDICAL CARE.—The term ‘medical care’ has the same meaning as when used in section 213.

“(4) ACCIDENT OR HEALTH INSURANCE; ACCIDENT OR HEALTH PLAN.—The terms ‘accident or health insurance’ and ‘accident or health plan’ have the same meaning as when used in section 105.

“(5) DEPENDENT.—The term ‘dependent’ has the meaning given such term by section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof.

“(d) DENIAL OF DOUBLE BENEFIT.—Subsection (a) shall not apply to the amount of any qualified Indian health care benefit which is not includible in gross income of the beneficiary of such benefit under any other provision of this chapter, or to the amount of any such benefit for which a deduction is allowed to such beneficiary under any other provision of this chapter.”.

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 139C the following new item:

“Sec. 139D. Indian health care benefits.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits and coverage provided after the date of the enactment of this Act.

(d) NO INFERENCE.—Nothing in the amendments made by this section shall be construed to create an inference with respect to the exclusion from gross income of—

(1) benefits provided by an Indian tribe or tribal organization that are not within the scope of this section, and

(2) benefits provided prior to the date of the enactment of this Act.