

Assembly Bill No. 414

CHAPTER 801

An act to add Section 61050 to the Revenue and Taxation Code, relating to health care coverage.

[Approved by Governor October 12, 2019. Filed with Secretary of State October 12, 2019.]

LEGISLATIVE COUNSEL'S DIGEST

AB 414, Bonta. Health care coverage: minimum essential coverage.

Existing federal law, the Patient Protection and Affordable Care Act (PPACA), requires each state to establish an American Health Benefit Exchange to facilitate the purchase of qualified health benefit plans by qualified individuals and qualified small employers. Existing state law creates the California Health Benefit Exchange (Exchange), also known as Covered California, to facilitate the enrollment of qualified individuals and qualified small employers in qualified health plans as required under PPACA. PPACA generally requires individuals, and any dependents of the individual, to maintain minimum essential coverage, as defined, and, if an individual fails to maintain minimum essential coverage, PPACA imposes on the individual taxpayer a penalty. This provision is referred to as the individual mandate.

Existing state law creates the Minimum Essential Coverage Individual Mandate to ensure an individual and the individual's spouse and dependents maintain minimum essential coverage, and imposes the Individual Shared Responsibility Penalty for the failure to maintain minimum essential coverage.

This bill, on or before March 1, 2022, and annually on or before March 1 thereafter, would require the Franchise Tax Board to report to the Legislature on specified information regarding the Minimum Essential Coverage Individual Mandate, the Individual Shared Responsibility Penalty, and state financial subsidies paid for health care coverage.

The people of the State of California do enact as follows:

SECTION 1. Section 61050 is added to the Revenue and Taxation Code, to read:

61050. (a) On or before March 1, 2022, and annually on or before March 1 thereafter, the Franchise Tax Board shall report to the Legislature on information regarding this part and Title 24 (commencing with Section 100700) and Title 25 (commencing with Section 100800) of the Government Code, including all of the following:

(1) The total number of applicable households paying the penalty and the total number of dependents for whom applicable households pay the penalty, by county and by adjusted gross income class.

(2) The total penalty amounts imposed, by county and by adjusted gross income class.

(3) The total statewide penalty amount imposed.

(4) The total number of exemptions applied, and the most common qualifications for exemptions applied.

(5) The number of applicable households who pay the penalty and the number of dependents claimed by applicable households who pay the penalty, by federal poverty level category. The federal poverty level shall be estimated using adjusted gross income and number of individuals in the tax household, using the following categories:

(A) At or between 0 percent and 138 percent of the federal poverty level.

(B) At or between 139 percent and 266 percent of the federal poverty level.

(C) At or between 267 percent and 400 percent of the federal poverty level.

(D) At or above 401 percent of the federal poverty level.

(6) The number and amount of state financial subsidies paid and adjustments made through reconciliation, by county and by federal poverty level category as described in paragraph (5).

(b) The report shall be submitted pursuant to Section 9795 of the Government Code.