



**SUMMARY OF SELECTED DIFFERENCES BETWEEN  
SECTION 1401 REFUNDABLE TAX CREDIT PROGRAM AND  
SECTION 1402 OFFSET PROGRAM**

<b>Section 1401 Refundable Tax Credit Program</b>	<b>Section 1402 Offset Program</b>
Purpose: subsidize health insurance premiums	Purpose: reduces copayments, deductibles, coinsurance or similar charges
Amends IRC by adding a new § 36B	Does not amend IRC
Amends 31 U.S.C. § 1324(b) to add new IRC § 36B to list of refundable tax credits that may be paid from that appropriation	Does not amend 31 U.S.C. § 1324
Available to policyholders with incomes between 100% and 400% of Federal Poverty Level (“FPL”)	Available to policyholders with incomes between 100% and 250% of FPL who enroll in “silver plans,” and to certain Indian policyholders without regard to income and even if they do not enroll in “silver” plans
Operates through IRC; policyholders must file IRS Form 8962 annually to claim tax credit	Does not operate through IRC; no IRS forms of any kind are filed; individual policyholder eligibility determined by income estimates made by policyholders at time of enrollment
Policyholders may choose to receive refundable tax credit themselves, or may choose to have it paid directly and in advance to their Insurers, in which case amount of refundable tax credit is based on projected income for following tax year	Nothing similar
Policyholders who choose to have refundable tax credit paid directly and in advance to their Insurers must reconcile amount of refundable tax credit paid with actual income; policyholder personally liable for all tax consequences that flow from inaccurate projection of their income (i.e., overpayment or underpayment of credit)	No reconciliation process to determine whether policyholders received correct amount of Cost-Sharing Reductions; no personal liability on part of policyholders who underestimated their incomes at time of enrollment