

hereto.¹ That means defendants have paid Insurers a total of \$7.171 billion in calendar years 2014 and 2015. *See* OMB, Fiscal Year 2016 Budget of the U.S. Government, App. at 1046 (Feb. 2, 2015) (Ex. K to House Summ. J. Mem.) (stating that defendants paid \$2.111 billion to Insurers in 2014 under the Section 1402 Offset Program).

Respectfully submitted,

/s/ Jonathan Turley

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February 16, 2016

¹ The complete FY 2017 Budget is available at <https://www.whitehouse.gov/sites/default/files/omb/budget/fy2017/assets/appendix.pdf>

CERTIFICATE OF SERVICE

I certify that on February 16, 2016, I served one copy of the foregoing Plaintiff's Notice of Supplemental Information via CM/ECF on all registered parties.

/s/ *Eleni Roumel*
Eleni Roumel

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

<hr/>)	
UNITED STATES HOUSE OF REPRESENTATIVES,)	
)	
Plaintiff,)	
)	
v.	)	Case No. 14-cv-01967-RMC
)	
SYLVIA MATHEWS BURWELL,)	
in her official capacity as Secretary of the United States)	
Department of Health and Human Services, et al.,)	
)	
Defendants.)	
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EXHIBIT

APPENDIX

BUDGET OF THE U.S. GOVERNMENT

FISCAL YEAR 2017

OFFICE OF MANAGEMENT AND BUDGET



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PAYMENT TO ISSUER OF QUALIFIED ZONE ACADEMY BONDS

Program and Financing (in millions of dollars)

Identification code 020–0945–0–1–501	2015 actual	2016 est.	2017 est.
Obligations by program activity:			
0001 Payment to Issuer of Qual fied Zone Academy Bonds (Direct)	52	52	56
0900 Total new obligations (object class 41.0)	52	52	56
Budgetary resources:			
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation	56	56	56
1230 Appropriations and/or unobligated balance of appropriations permanently reduced	–4	–4	.....
1260 Appropriations, mandatory (total)	52	52	56
1930 Total budgetary resources available	52	52	56
Change in obligated balance:			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts	52	52	56
3020 Outlays (gross)	–52	–52	–56
Budget authority and outlays, net:			
Mandatory:			
4090 Budget author ty, gross	52	52	56
Outlays, gross:			
4100 Outlays from new mandatory authority	52	52	56
4180 Budget authority, net (total)	52	52	56
4190 Outlays, net (total)	52	52	56

The American Recovery and Reinvestment Act of 2009 (P.L. 111–5), section 1522, extended and expanded the calendar year limitation for Qualified Zone Academy Bonds to \$1,400,000,000 for 2009 and 2010. The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111–312), section 758, extended the Qualified Zone Academy Bonds for 2011 and reduced the calendar year limitation to \$400,000,000. The American Taxpayer Relief Act of 2012 (P.L. 112–240), section 310, extended the calendar year limitation of \$400,000,000 through tax year 2013 (a two-year extension). The Tax Increase Prevention Act, Title I—Certain Expiring Provisions (P.L. 113–295), section 120, extended the calendar year limitation of \$400,000,000 through tax year 2014 (a one-year extension). The Protecting Americans From Tax Hikes Act of 2015 (P.L. 114–113), extended the calendar year limitation of \$400,000,000 through tax year 2016 (a two-year extension).

The Hiring Incentives to Restore Employment Act (P.L. 111–147), section 301, amends section 6431 of the Internal Revenue Code of 1986 by adding a new subsection (f) allowing issuers of Qualified Zone Academy Bonds to irrevocably elect to issue the bonds as specified tax credit bonds with a direct-pay subsidy. The issuer of such qualifying bonds receives a direct interest payment subsidy from the Federal Government. Bondholders receive a taxable interest payment from the issuer in lieu of a tax credit.

The Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 (P.L. 111–312) amended section 6431(f)(3)(A)(iii) to provide that direct pay treatment for Qualified Zone Academy Bonds is not available for Qualified Zone Academy Bond allocations from the 2011 national limitation or any carry forward of the 2011 allocation.

PAYMENT WHERE ADOPTION CREDIT EXCEEDS LIABILITY FOR TAX

Program and Financing (in millions of dollars)

Identification code 020–0950–0–1–609	2015 actual	2016 est.	2017 est.
Obligations by program activity:			
0001 Payment Where Adoption Credit Exceeds Liability for Tax (Direct)	16	1	.....
0900 Total new obligations (object class 41.0)	16	1	.....

Budgetary resources:

Budget authority:			
Appropriations, mandatory:			
1200 Appropriation	16	1	.....
1930 Total budgetary resources available	16	1	.....

Change in obligated balance:

Unpaid obligations:			
3010 Obligations incurred, unexpired accounts	16	1	.....
3020 Outlays (gross)	–16	–1	.....

Budget authority and outlays, net:

Mandatory:			
4090 Budget authority, gross	16	1	.....
Outlays, gross:			
4100 Outlays from new mandatory authority	16	1	.....
4180 Budget authority, net (total)	16	1	.....
4190 Outlays, net (total)	16	1	.....

The Patient Protection and Affordable Care Act of 2010 (P.L. 111–148), section 10909, modified the existing adoption credit to make it a refundable credit for two years (2010 and 2011). The refundability provision has expired and the adoption credit is again limited to tax liability. However, outlays are expected from this account through 2016 as reconciliations occur.

REFUNDING INTERNAL REVENUE COLLECTIONS, INTEREST

Program and Financing (in millions of dollars)

Identification code 020–0904–0–1–908	2015 actual	2016 est.	2017 est.
Obligations by program activity:			
0001 Refunding Internal Revenue Collections, Interest (Direct)	1,061	1,309	1,680
0900 Total new obligations (object class 43.0)	1,061	1,309	1,680
Budgetary resources:			
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation	1,061	1,309	1,680
1930 Total budgetary resources available	1,061	1,309	1,680
Change in obligated balance:			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts	1,061	1,309	1,680
3020 Outlays (gross)	–1,061	–1,309	–1,680
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross	1,061	1,309	1,680
Outlays, gross:			
4100 Outlays from new mandatory authority	1,061	1,309	1,680
4180 Budget authority, net (total)	1,061	1,309	1,680
4190 Outlays, net (total)	1,061	1,309	1,680

Under certain circumstances, as provided in 26 U.S.C. 6611, interest is paid on Internal Revenue collections that must be refunded. The Tax Equity and Fiscal Responsibility Act of 1982 (P.L. 97–248) provides for daily compounding of interest. Under the Tax Reform Act of 1986 (P.L. 99–514), interest paid on Internal Revenue collections will equal the Federal short-term rate plus two percentage points, with such rate to be adjusted quarterly.

REFUNDABLE PREMIUM TAX CREDIT AND COST SHARING REDUCTIONS

Program and Financing (in millions of dollars)

Identification code 020–0949–0–1–551	2015 actual	2016 est.	2017 est.
Obligations by program activity:			
0001 Premium assistance tax credit	23,770	30,718	47,837
0002 Advanced cost sharing reductions	5,060	6,127	7,596
0003 Basic Health Program	1,228	2,440	2,570
0900 Total new obligations (object class 41.0)	30,058	39,285	58,003

REFUNDABLE PREMIUM TAX CREDIT AND COST SHARING REDUCTIONS—Continued
Program and Financing—Continued

Identification code 020-0949-0-1-551	2015 actual	2016 est.	2017 est.
Budgetary resources:			
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation	27,213	39,285	58,003
Spending authority from offsetting collections, mandatory:			
1800 Collected	2,845		
1900 Budget authority (total)	30,058	39,285	58,003
1930 Total budgetary resources available	30,058	39,285	58,003
Change in obligated balance:			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts	30,058	39,285	58,003
3020 Outlays (gross)	-30,058	-39,285	-58,003
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross	30,058	39,285	58,003
Outlays, gross:			
4100 Outlays from new mandatory authority	30,058	39,285	58,003
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4123 Non-Federal sources	-2,845		
4180 Budget authority, net (total)	27,213	39,285	58,003
4190 Outlays, net (total)	27,213	39,285	58,003
Summary of Budget Authority and Outlays (in millions of dollars)			
	2015 actual	2016 est.	2017 est.
Enacted/requested:			
Budget Authority	27,213	39,285	58,003
Outlays	27,213	39,285	58,003
Legislative proposal, subject to PAYGO:			
Budget Authority			-303
Outlays			-303
Total:			
Budget Authority	27,213	39,285	57,700
Outlays	27,213	39,285	57,700

The Patient Protection and Affordable Care Act (PPACA) of 2010 (P.L. 111-148) established the Refundable Premium Tax Credit. This credit is an advanceable, refundable tax credit designed to help eligible individuals and families with low or moderate income afford health insurance purchased through the Health Insurance Marketplace, also known as the Exchange, beginning in 2014. The credit can be paid in advance to the taxpayer's insurance company to lower the monthly premiums, or it can be claimed when a taxpayer files their income tax return for the year. If the credit is paid in advance, the taxpayer must reconcile the advance credit payments with the actual credit computed on the tax return, subject to certain caps.

Section 1402 of PPACA provides for reductions in cost sharing for eligible individuals enrolled in qualified health plans purchased on the Exchanges. The reduction in cost sharing will first be achieved by reducing applicable out-of-pocket limits under section 1302 of PPACA. An additional reduction will be allowed for lower income insured individuals and special rules will apply for American Indians and Alaska Natives.

Section 1131 of PPACA provides for the establishment of a Basic Health Program, under which a state may offer standard health plans to eligible individuals in lieu of offering such individuals coverage through an Exchange. Eligible individuals include state residents without access to affordable, minimum essential coverage (including those not eligible to enroll in the state's Medicaid program) who meet certain income, residency, and age requirements.

Section 1412 of PPACA provides for advance payments of the premium tax credit and cost-sharing reductions.

The premium assistance tax credit has outlay effects (in millions of dollars) of: 2015 \$20,925; 2016 \$30,718; 2017 \$47,837; 2018 \$68,343; 2019 \$86,732; 2020 \$94,583; 2021 \$100,106; 2022 \$106,132; 2023 \$110,949; 2024 \$116,077; 2025 \$121,436; 2026 \$126,721.

The premium assistance tax credit has income tax effects (in millions of dollars) [a (-) indicates reduced receipts] of: 2015 -\$2,316; 2016 -\$2,152; 2017 -\$3,452; 2018 -\$4,503; 2019 -\$6,274; 2020 -\$7,498; 2021 -\$7,743; 2022 -\$8,131; 2023 -\$8,441; 2024 -\$8,820; 2025 -\$9,134; 2026 -\$9,471.

REFUNDABLE PREMIUM TAX CREDIT AND COST SHARING REDUCTIONS

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 020-0949-4-1-551	2015 actual	2016 est.	2017 est.
Budgetary resources:			
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation			-303
1930 Total budgetary resources available			-303
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year			-303
Change in obligated balance:			
Unpaid obligations:			
3020 Outlays (gross)			303
3050 Unpaid obligations, end of year			303
Memorandum (non-add) entries:			
3200 Obligated balance, end of year			303
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross			-303
Outlays, gross:			
4100 Outlays from new mandatory authority			-303
4180 Budget authority, net (total)			-303
4190 Outlays, net (total)			-303

This schedule reflects the impact of the Administration's proposals to extend the Children's Health Insurance Program, create a state option to provide 12-month continuous Medicaid eligibility for adults, and standardize the definition of American Indian and Alaska Native in PPACA.

IRS MISCELLANEOUS RETAINED FEES

Special and Trust Fund Receipts (in millions of dollars)

Identification code 020-5432-0-2-803	2015 actual	2016 est.	2017 est.
0100 Balance, start of year	3	3	2
Receipts:			
Current law:			
1110 Enrolled Agent Fee Increase, IRS Miscellaneous Retained Fees	7	7	8
1110 Tax Preparer Registration Fees, IRS Miscellaneous Retained Fees	37	24	24
1130 New Installment Agreements, IRS Miscellaneous Retained Fees	154	155	156
1130 Restructured Installment Agreements, IRS Miscellaneous Retained Fees	48	52	53
1130 General User Fees, IRS Miscellaneous Retained Fees	140	168	157
1130 Photocopying and Historical Conservation Easement Fees, IRS Miscellaneous Retained Fees	5	4	4
1199 Total current law receipts	391	410	402
1999 Total receipts	391	410	402
2000 Total: Balances and receipts	394	413	404
Appropriations:			
Current law:			
2101 IRS Miscellaneous Retained Fees	-391	-410	-402
2103 IRS Miscellaneous Retained Fees	-3	-3	-2
2132 IRS Miscellaneous Retained Fees	3	2	
2199 Total current law appropriations	-391	-411	-404
2999 Total appropriations	-391	-411	-404
5099 Balance, end of year	3	2	