

**HOUSE . . . . . No. 1078**

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**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Nine**  
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An Act relative to Massachusetts artists..

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 1. Summary. Chapter 58 of the Acts of 2006, An Act Providing Access to  
2 Affordable, Quality, Accountable Health Care, Providing Access to Affordable, Quality,  
3 Accountable Health Care, is hereby amended to improve access to affordable health insurance  
4 for self-employed people, independent contractors, working artists, part-time workers, and  
5 workers who work part-time jobs and engage in a self-employed enterprise, also known as  
6 combined income individuals. This Act will increase eligibility for the Insurance Partnership for  
7 both employers and individuals; require small employers to offer a Section 125 Cafeteria Plan;  
8 provide the self-employed more support in accessing the most affordable insurance option; and  
9 require an in-depth analysis of combined income individuals to determine the impact on their  
10 eligibility for assistance.

11           SECTION 2. Employer Eligibility for the Insurance Partnership. Section 9C of Chapter  
12 118E, subsection 1, is hereby amended by replacing subsection (iv) after the word 65 with the  
13 following language:— (iv) the division will amend existing regulation 130 CMR 650.000 to  
14 make eligible those employers that have provided employees with access to health insurance six-

15 months prior to their application to the Insurance Partnership, provided the employer meets all  
16 other existing eligibility requirements under Chapter 118E, Section 9C.

17 SECTION 3. Simplify the Use of Pre-Tax Dollars for Small Business Employees. Any  
18 employer with the equivalent total of five full-time employees, as defined in the provisions of  
19 Chapter 58, must establish a Section 125 cafeteria plan; and, further comply with the Health  
20 Insurance Responsibility Disclosure provisions of Chapter 58. Section 2 of Chapter 151F is  
21 hereby amended by changing “10” to “5 or more” after the words “more than.” Section 6c of  
22 Chapter 118G is hereby amended to insert the following language after the words “every  
23 employer” “with 5 employees or more.”

24 SECTION 4. Definition of “Eligible Employee”. Section 9C of Chapter 118E, subsection  
25 1 (as amended by 2006, 58, Sec. 19) under the definition of “Eligible Employee”, is hereby  
26 amended by striking subsection (iv) in its entirety.

27 SECTION 5. Section 9C of Chapter 118E, subsection 1 (as amended by 2006, 58, Sec.  
28 19) under the definition of “Eligible Employee”, subsection (v), is hereby amended to change the  
29 words “300 per cent of the Federal Poverty Level” to “400 per cent of the Federal Poverty  
30 Level” after the words “does not exceed.”

31 SECTION 6. Determining “Income” for Combined Part-Time and Self-Employed  
32 Individuals. The Department of Revenue is hereby directed to conduct a study of individuals  
33 filing tax returns with multiple sources of income including part-time employment and income  
34 from independent contractors and self-employment. The Department of Revenue will also assess  
35 the methodology for calculating Adjusted Gross Income for such individuals in order to  
36 promulgate regulations that accurately reflects their income, giving special consideration to the

37 expenses associated with the creation of art, learning new skills associated with professional  
38 work, inventing new products or processes for commercial purposes, or other professional  
39 pursuits from which the individual does not derive a majority or any of their overall income. The  
40 Department of Revenue will report their findings to the Joint Committee on Health Care  
41 Financing, the Connector Board, the Joint Committee on Tourism, Arts, and Cultural  
42 Development and the House and Senate Committees on Ways and Means no later than 120 days  
43 after enactment by the General Court.

44 SECTION 7. Eliminating the Self-employment Penalty. Amend Section 9C of chapter  
45 118E, subsection 1, by adding the following language after the words “eligible employer”:—  
46 nothing in this section shall exclude a self-employed single individual or self employed husband  
47 and wife from eligibility for programs under Chapter 118H, provided that all other eligibility  
48 criteria have been met in accordance with the definitions in Chapter 118E as amended.