

115TH CONGRESS 1ST SESSION

H. R. 432

To amend the Internal Revenue Code of 1986 to expand and modify the credit for employee health insurance expenses of small employers.

IN THE HOUSE OF REPRESENTATIVES

January 11, 2017

Ms. Delbene (for herself, Mr. Kind, Mr. Ruppersberger, and Ms. Kuster of New Hampshire) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to expand and modify the credit for employee health insurance expenses of small employers.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Small Business Tax
- 5 Credit Accessibility Act".

1	SEC. 2. EXPANSION AND MODIFICATION OF CREDIT FOR
2	EMPLOYEE HEALTH INSURANCE EXPENSES
3	OF SMALL EMPLOYERS.
4	(a) Expansion of Definition of Eligible Small
5	EMPLOYER.—Subparagraph (A) of section 45R(d)(1) of
6	the Internal Revenue Code of 1986 is amended by striking
7	"25" and inserting "50".
8	(b) Amendment To Phaseout Determination.—
9	Subsection (c) of section 45R of the Internal Revenue
10	Code of 1986 is amended to read as follows:
11	"(c) Phaseout of Credit Amount Based on
12	NUMBER OF EMPLOYEES AND AVERAGE WAGES.—The
13	amount of the credit determined under subsection (b)
14	(without regard to this subsection) shall be adjusted (but
15	not below zero) by multiplying such amount by the prod-
16	uct of—
17	"(1) the lesser of—
18	"(A) a fraction the numerator of which is
19	the excess (if any) of 50 over the total number
20	of full-time equivalent employees of the em-
21	ployer and the denominator of which is 30, and
22	"(B) 1, and
23	"(2) the lesser of—
24	"(A) a fraction—
25	"(i) the numerator of which is the ex-
26	cess (if any) of—

1	"(I) the dollar amount in effect
2	under subsection (d)(3)(B) for the
3	taxable year, multiplied by 3, over
4	"(II) the average annual wages
5	of the employer for such taxable year,
6	and
7	"(ii) the denominator of which is the
8	dollar amount so in effect under subsection
9	(d)(3)(B), multiplied by 2, and
10	"(B) 1.".
11	(c) Extension of Credit Period.—Paragraph (2)
12	of section 45R(e) of the Internal Revenue Code of 1986
13	is amended by striking "2-consecutive-taxable year pe-
14	riod" and all that follows and inserting "3-consecutive-tax-
15	able year period beginning with the first taxable year be-
16	ginning after 2014 in which—
17	"(A) the employer (or any predecessor) of-
18	fers one or more qualified health plans to its
19	employees through an Exchange, and
20	"(B) the employer (or any predecessor)
21	claims the credit under this section.".
22	(d) Average Annual Wage Limitation.—Sub-
23	paragraph (B) of section 45R(d)(3) of the Internal Rev-
24	enue Code of 1986 is amended to read as follows:

- 1 "(B) Dollar amount.—For purposes of
- 2 paragraph (1)(B) and subsection (c)(2), the
- dollar amount in effect under this paragraph is
- 4 the amount equal to 110 percent of the poverty
- 5 line (within the meaning of section 36B(d)(3))
- for a family of 4.".
- 7 (e) Elimination of Uniform Percentage Con-
- 8 TRIBUTION REQUIREMENT.—Paragraph (4) of section
- 9 45R(d) of the Internal Revenue Code of 1986 is amended
- 10 by striking "a uniform percentage (not less than 50 per-
- 11 cent)" and inserting "at least 50 percent".
- 12 (f) Elimination of Cap Relating to Average
- 13 Local Premiums.—Subsection (b) of section 45R of the
- 14 Internal Revenue Code of 1986 is amended by striking
- 15 "the lesser of" and all that follows and inserting "the ag-
- 16 gregate amount of nonelective contributions the employer
- 17 made on behalf of its employees during the taxable year
- 18 under the arrangement described in subsection (d)(4) for
- 19 premiums for qualified health plans offered by the em-
- 20 ployer to its employees through an Exchange.".
- 21 (g) Conforming Amendment Relating to An-
- 22 NUAL WAGE LIMITATION.—Subparagraph (B) of section
- $23 ext{ } 45R(d)(1)$ of the Internal Revenue Code of 1986 is
- 24 amended by striking "twice" and inserting "three times".

- 1 (h) Effective Date.—The amendments made by
- 2 this section shall apply to amounts paid or incurred in tax-

 $3\,\,$ able years beginning after December 31, 2016.

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