106TH CONGRESS
1ST SESSION

H. R. 2304

To amend the Internal Revenue Code of 1986 to allow employers who maintain a self-insured health plan for their employees a credit against income tax for a portion of the cost paid for providing health coverage for their employees.

IN THE HOUSE OF REPRESENTATIVES

JUNE 22, 1999

Mr. MALONEY of Connecticut introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To amend the Internal Revenue Code of 1986 to allow employers who maintain a self-insured health plan for their employees a credit against income tax for a portion of the cost paid for providing health coverage for their employees.

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 "Health Care Benefits

5   Financial Protection Act of 1999".

1 **SEC. 2. CREDIT TO EMPLOYERS MAINTAINING SELF-IN-**
2 **SURED HEALTH PLAN FOR COST OF PRO-**
3 **VIDING HEALTH COVERAGE FOR EMPLOY-**
4 **EES.**

5 (a) IN GENERAL.—Subpart D of part IV of sub-
6 chapter A of chapter 1 of the Internal Revenue Code of
7 1986 (relating to business related credits) is amended by
8 adding at the end the following new section:

9 **"SEC. 45D. CREDIT TO EMPLOYERS MAINTAINING SELF-IN-**
10 **SURED HEALTH PLAN FOR COST OF PRO-**
11 **VIDING HEALTH COVERAGE FOR EMPLOY-**
12 **EES.**

13 "(a) GENERAL RULE.—For purposes of section 38,
14 in the case of an eligible employer, the health coverage
15 cost credit determined under this section for the taxable
16 year is an amount equal to 3 percent of the amount paid
17 or incurred by the taxpayer during the taxable year for
18 health coverage for such employer's employees and their
19 spouses and dependents.

20 "(b) ELIGIBLE EMPLOYER.—For purposes of this
21 section, the term 'eligible employer' means any employer
22 who, throughout the taxable year, maintains a group
23 health plan for such employer's employees and their
24 spouses and dependents which is not provided through in-
25 surance.

26 "(c) SPECIAL RULES.—

1 ''(1) ONLY NONGOVERNMENTAL COVERAGE
2 TAKEN INTO ACCOUNT.—Amounts paid or incurred
3 for coverage under Medicare or any other govern-
4 ment program shall not be taken into account under
5 subsection (a).

6 ''(2) DENIAL OF DOUBLE BENEFIT.—No deduc-
7 tion shall be allowed for that portion of the amount
8 taken into account under subsection (a) (which is
9 otherwise allowable as a deduction for the taxable
10 year) equal to the amount of the credit determined
11 for such taxable year under subsection (a).''

12 (b) CREDIT MADE PART OF GENERAL BUSINESS
13 CREDIT.—

14 (1) IN GENERAL.—Subsection (b) of section 38
15 of such Code is amended by striking ''plus'' at the
16 end of paragraph (11), by striking the period at the
17 end of paragraph (12) and inserting '', plus'', and
18 by adding at the end the following new paragraph:

19 ''(13) in the case of a eligible employer (as de-
20 fined in section 45D(b)), the health coverage cost
21 credit determined under section 45D(a).''

22 (2) DENIAL OF CARRYBACKS TO PRE-EFFEC-
23 TIVE DATE YEARS.—Subsection (d) of section 39 of
24 such Code is amended by adding at the end the fol-
25 lowing new paragraph:

1 "(8) NO CARRYBACK OF SECTION 45D CREDIT

2 BEFORE ENACTMENT.—No portion of the unused

3 business credit for any taxable year which is attrib-

4 utable to the health coverage cost credit determined

5 under section 45D may be carried back to a taxable

6 year beginning on or before the date of the enact-

7 ment of section 45D."

8 (c) CLERICAL AMENDMENT.—The table of sections

9 for subpart D of part IV of subchapter A of chapter 1

10 of such Code is amended by adding at the end the fol-

11 lowing new item:

> "Sec. 45D. Credit to employers maintaining self-insured health plan for cost of providing health coverage for employees."

12 (d) EFFECTIVE DATE.—The amendments made by

13 this section shall apply to taxable years beginning after

14 the date of the enactment of this Act.

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