

114TH CONGRESS
1ST SESSION

S. 379

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

IN THE SENATE OF THE UNITED STATES

FEBRUARY 5, 2015

Mr. COONS (for himself, Mr. MERKLEY, Mr. KING, Mr. MANCHIN, Ms. HEITKAMP, Mrs. SHAHEEN, Mr. KAINE, Mr. FRANKEN, and Ms. HIRONO) introduced the following bill; which was read twice and referred to the Committee on Finance

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 1st taxable year begin-
 16 ning after 2014 in which—

17 “(A) the employer (or any predecessor) of-
 18 fers 1 or more qualified health plans to its em-
 19 ployees 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
 3 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))
 6 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 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, 2014.

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