

113TH CONGRESS
1ST SESSION

S. 1325

To amend the Internal Revenue Code of 1986 to modify the small employer health insurance credit, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 18, 2013

Mr. BEGICH (for himself and Ms. LANDRIEU) 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 modify the small employer health insurance credit, and for other purposes.

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 Credits Improvement Act”.

6 **SEC. 2. MODIFICATION OF SMALL EMPLOYER HEALTH IN-**
7 **SURANCE CREDIT.**

8 (a) INCREASE IN ELIGIBLE BUSINESS SIZE.—

1 (1) IN GENERAL.—Subparagraph (A) of section
2 45R(d)(1) of the Internal Revenue Code of 1986 is
3 amended by striking “25” and inserting “50”.

4 (2) PHASEOUT AMOUNT.—Paragraph (1) of
5 section 45R(c) of such Code is amended—

6 (A) by striking “10” and inserting “20”,

7 and

8 (B) by striking “15” and inserting “30”.

9 (3) MAXIMUM AVERAGE ANNUAL WAGES.—Sub-
10 paragraph (B) of section 45R(d)(3) of such Code is
11 amended—

12 (A) by redesignating clause (ii) as clause

13 (iii),

14 (B) by striking “2013” in clause (iii), as
15 so redesignated, and inserting “2014”,

16 (C) by striking “\$25,000” in clause (iii),
17 as so redesignated, and inserting “\$37,500”,

18 (D) by striking “calendar year 2012” in
19 clause (iii), as so redesignated, and inserting
20 “calendar year 2013”, and

21 (E) by inserting after clause (i) the fol-
22 lowing new clause:

23 “(ii) 2014.—The dollar amount in ef-
24 fect under this paragraph for taxable years
25 beginning in 2014 is \$37,500.”.

1 (b) ELIMINATION OF UNIFORM PERCENTAGE CON-
2 TRIBUTION REQUIREMENT.—Paragraph (4) of section
3 45R(d) of the Internal Revenue Code of 1986 is amended
4 by striking “a uniform percentage (not less than 50 per-
5 cent)” and inserting “at least 50 percent”.

6 (c) ELIMINATION OF CAP RELATING TO AVERAGE
7 LOCAL PREMIUMS.—Subsection (b) of section 45R of the
8 Internal Revenue Code of 1986 is amended by striking
9 “the lesser of” and all that follows and inserting “the ag-
10 gregate amount of nonelective contributions the employer
11 made on behalf of its employees during the taxable year
12 under the arrangement described in subsection (d)(4) for
13 premiums for qualified health plans offered by the em-
14 ployer to its employees through an Exchange.”.

15 (d) CREDIT AVAILABILITY FOR EMPLOYEE-OWNERS
16 AND FAMILY MEMBERS IN CERTAIN CASES.—Subpara-
17 graph (A) of section 45R(e)(1) of the Internal Revenue
18 Code of 1986 is amended—

19 (1) by striking the period at the end and insert-
20 ing a comma, and

21 (2) by adding at the end the following flush
22 text:

23 “unless at least 1 full-time equivalent employee
24 who is not described in clause (i), (ii), (iii), or
25 (iv) for the taxable year was employed by the

1 employer for at least 6 months during the tax-
2 able year (or the entire period during the tax-
3 able year that the business was in existence, if
4 shorter than 6 months).”.

5 (e) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2013.

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