

115TH CONGRESS
1ST SESSION

S. 1254

To amend the Internal Revenue Code of 1986 to expand the small employer health insurance credit.

IN THE SENATE OF THE UNITED STATES

MAY 25, 2017

Ms. STABENOW (for herself, Mr. PETERS, and Ms. BALDWIN) 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 the small employer health insurance credit.

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 for Small
5 Business Act”.

6 **SEC. 2. EXPANSION OF SMALL EMPLOYER HEALTH INSUR-**
7 **ANCE CREDIT.**

8 (a) IN GENERAL.—Section 45R of the Internal Rev-
9 enue Code of 1986 is amended—

1 (1) in subsection (a), by striking “in the credit
2 period”,

3 (2) by amending subsection (c) to read as fol-
4 lows:

5 “(c) PHASEOUT OF CREDIT AMOUNT BASED ON AV-
6 ERAGE WAGES.—The amount of the credit determined
7 under subsection (b) without regard to this subsection
8 shall be reduced (but not below zero) by such amount mul-
9 tiplied by a fraction—

10 “(1) the numerator of which is the average an-
11 nual wages of the employer in excess of the dollar
12 amount in effect under subsection (d)(3)(B), and

13 “(2) the denominator which is the amount
14 equal to the difference between—

15 “(A) the dollar amount in effect under
16 subsection (d)(1)(B), and

17 “(B) the dollar amount in effect under
18 subsection (d)(3)(B).”,

19 (3) in subsection (d)—

20 (A) in paragraph (1)—

21 (i) in subparagraph (A), by striking
22 “25” and inserting “50”, and

23 (ii) in subparagraph (B), by striking
24 “an amount equal to twice the dollar
25 amount in effect under paragraph (3)(B)

1 for the taxable year” and inserting
2 “\$75,000”, and

3 (B) in paragraph (3), by amending sub-
4 paragraph (B) to read as follows:

5 “(B) DOLLAR AMOUNT.—The dollar
6 amount under this subparagraph shall be
7 \$50,000.”,

8 (4) in subsection (e)—

9 (A) by striking paragraph (2), and

10 (B) by redesignating paragraphs (3)
11 through (5) as paragraphs (2) through (4), re-
12 spectively,

13 (5) by amending subsection (g) to read as fol-
14 lows:

15 “(g) COST-OF-LIVING ADJUSTMENT.—

16 “(1) IN GENERAL.—In the case of any taxable
17 year beginning in a calendar year after 2017, each
18 dollar amount in paragraphs (1)(B) and (3)(B) of
19 subsection (d) shall be increased by an amount equal
20 to—

21 “(A) such dollar amount, multiplied by

22 “(B) the cost-of-living adjustment deter-
23 mined under section 1(f)(3) for such calendar
24 year, determined by substituting ‘calendar year

1 2016’ for ‘calendar year 1992’ in subparagraph
2 (B) thereof.

3 “(2) ROUNDING.—If any increase under para-
4 graph (1) is not a multiple of \$1,000, such increase
5 shall be rounded to the next lowest multiple of
6 \$1,000.”, and

7 (6) in subsection (i), by striking “2-year limit
8 on the credit period through the use of successor en-
9 tities and the avoidance of the limitations” and in-
10 serting “limitation”.

11 (b) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2016.

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