AMENDMENT TO [AMENDMENT IN THE NATURE OF A SUBSTITUTE TO THE COMMITTEE PRINT RELATING TO REPEAL AND REPLACE OF HEALTH-RELATED TAX POLICY] OFFERED BY REP. DELBENE

The amendment would strike the underlying bill's repeal of the Small Business Tax Credit and insert reforms that make the tax credit accessible to more small businesses, available for three consecutive years (currently two), and easier to claim by eliminating burdensome requirements.

AMENDMENT TO RECOMMENDATIONS RELATING

TO REPEAL AND REPLACE

OFFERED BY MS. DELBENE OF WASHINGTON,

for herself, Mr. Kind, Mr. Higgins and Ms. Chu

Strike section __04 and insert the following:

1 SEC. __04. 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

1 of full-time equivalent employees of the em-
2 ployer and the denominator of which is 30, and
3   "(B) 1, and
4   "(2) the lesser of—
5   "(A) a fraction—
6   "(i) the numerator of which is the ex-
7   cess (if any) of—
8   "(I) the dollar amount in effect
9   under subsection (d)(3)(B) for the
10   taxable year, multiplied by 3, over
11   "(II) the average annual wages
12   of the employer for such taxable year,
13   and
14   "(ii) the denominator of which is the
15   dollar amount so in effect under subsection
16   (d)(3)(B), multiplied by 2, and
17   "(B) 1.".
18 (c) EXTENSION OF CREDIT PERIOD.—Paragraph (2)
19 of section 45R(e) of the Internal Revenue Code of 1986
20 is amended by striking "2-consecutive-taxable year pe-
21 riod" and all that follows and inserting "3-consecutive-tax-
22 able year period beginning with the first taxable year be-
23 ginning after 2014 in which—

1   "(A) the employer (or any predecessor) of-

2   fers one or more qualified health plans to its

3   employees through an Exchange, and

4   "(B) the employer (or any predecessor)

5   claims the credit under this section.".

6   (d) AVERAGE ANNUAL WAGE LIMITATION.—Sub-

7 paragraph (B) of section 45R(d)(3) of the Internal Rev-

8 enue Code of 1986 is amended to read as follows:

9   "(B) DOLLAR AMOUNT.—For purposes of

10   paragraph (1)(B) and subsection (c)(2), the

11   dollar amount in effect under this paragraph is

12   the amount equal to 110 percent of the poverty

13   line (within the meaning of section 36B(d)(3))

14   for a family of 4.".

15   (e) ELIMINATION OF UNIFORM PERCENTAGE CON-

16 TRIBUTION REQUIREMENT.—Paragraph (4) of section

17 45R(d) of the Internal Revenue Code of 1986 is amended

18 by striking "a uniform percentage (not less than 50 per-

19 cent)" and inserting "at least 50 percent".

20   (f) ELIMINATION OF CAP RELATING TO AVERAGE

21 LOCAL PREMIUMS.—Subsection (b) of section 45R of the

22 Internal Revenue Code of 1986 is amended by striking

23 "the lesser of" and all that follows and inserting "the ag-

24 gregate amount of nonelective contributions the employer

25 made on behalf of its employees during the taxable year

4

1 under the arrangement described in subsection (d)(4) for
2 premiums for qualified health plans offered by the em-
3 ployer to its employees through an Exchange.''.

4   (g) CONFORMING AMENDMENT RELATING TO AN-
5 NUAL WAGE LIMITATION.—Subparagraph (B) of section
6 45R(d)(1) of the Internal Revenue Code of 1986 is
7 amended by striking ''twice'' and inserting ''three times''.

8   (h) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to amounts paid or incurred in tax-
10 able years beginning after December 31, 2016.

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