

113TH CONGRESS
2D SESSION

H. R. 4244

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 13, 2014

Mr. PETERS of Michigan (for himself, Mr. MURPHY of Florida, and Mr. SCHRADER) introduced the following bill; which was referred to the Committee on Ways and Means

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 Health
5 Insurance Affordability Act of 2014”.

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 BASED ON NUMBER OF
5 EMPLOYEES.—Paragraph (1) of section 45R(c) of
6 such Code is amended by striking “10” and insert-
7 ing “20”.

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

11 (A) by redesignating clause (ii) as clause
12 (iii),

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

15 (C) by striking “\$25,000” in clause (iii),
16 as so redesignated, and inserting “\$35,000”,

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

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

22 “(ii) 2014.—The dollar amount in ef-
23 fect under this paragraph for taxable years
24 beginning in 2014 is \$35,000.”.

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 PERIOD.—Section 45R(e)(2) of the In-
16 ternal Revenue Code of 1986 is amended by striking “2-
17 consecutive-taxable year period” and inserting “3-consecu-
18 tive-taxable year period”.

19 (e) COVERAGE PROVIDING ESSENTIAL HEALTH
20 BENEFITS THROUGH NON-EXCHANGE PLAN TREATED AS
21 QUALIFIED.—Section 45R(e) of the Internal Revenue
22 Code of 1986 is amended by adding at the end the fol-
23 lowing new paragraph:

24 “(6) COVERAGE PROVIDING ESSENTIAL HEALTH
25 BENEFITS THROUGH NON-EXCHANGE PLAN TREAT-

1 ED AS QUALIFIED.—Health insurance providing the
2 essential health benefits specified in section
3 1302(b)(1) of the Patient Protection and Affordable
4 Care Act (42 U.S.C. 18022(b)(1)) through a plan
5 not offered through an Exchange shall be treated as
6 a qualified health plan offered through an Ex-
7 change.”.

8 (f) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2013.

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