



General Assembly

February Session, 2006

**Raised Bill No. 428**

LCO No. 2152

\*02152\_\_\_\_\_INS\*

Referred to Committee on Insurance and Real Estate

Introduced by:  
(INS)

**AN ACT ESTABLISHING A TAX CREDIT FOR SMALL EMPLOYERS WHO PROVIDE HEALTH INSURANCE FOR THEIR EMPLOYEES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2006, and applicable to income years*  
2 *commencing on or after January 1, 2006*) There shall be allowed as a  
3 credit against the tax imposed pursuant to chapter 208 of the general  
4 statutes in any income year on a small employer, as defined in section  
5 38a-564 of the 2006 supplement to the general statutes, who has  
6 provided health insurance for its employees for a period of three  
7 consecutive years an amount equal to the amount paid by such small  
8 employer for health insurance for its employees. Such credit shall be  
9 allowed upon the purchase of any special health care plan, as defined  
10 in section 38a-564 of the 2006 supplement to the general statutes, small  
11 employer health care health plan, as defined in said section 38a-564,  
12 high deductible health plan, as that term is used in subsection (f) of  
13 section 38a-520 of the general statutes, or any health insurance  
14 procured pursuant to section 5-259 of the general statutes.

15 Sec. 2. (NEW) (*Effective July 1, 2006, and applicable to income years*  
16 *commencing on or after January 1, 2006*) There shall be allowed as a

17 credit against the tax imposed pursuant to chapter 229 of the general  
 18 statutes in any income year on a small employer, as defined in section  
 19 38a-564 of the 2006 supplement to the general statutes, who has  
 20 provided health insurance for its employees for a period of three  
 21 consecutive years an amount equal to the amount paid by such small  
 22 employer for health insurance for its employees. Such credit shall be  
 23 allowed upon the purchase of any special health care plan, as defined  
 24 in section 38a-564 of the 2006 supplement to the general statutes, small  
 25 employer health care health plan, as defined in said section 38a-564,  
 26 high deductible health plan, as that term is used in subsection (f) of  
 27 section 38a-520 of the general statutes, or any health insurance  
 28 procured pursuant to section 5-259 of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2006, and applicable to income years commencing on or after January 1, 2006</i>	New section
Sec. 2	<i>July 1, 2006, and applicable to income years commencing on or after January 1, 2006</i>	New section

**Statement of Purpose:**

To establish a tax credit against the corporation business tax and the income tax for the amount spent by small employers to purchase health insurance for its employees.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*