

REFERENCE TITLE: tax credits; business health insurance

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

SB 1244

Introduced by
Senator Burton Cahill: Representative Ableser

AN ACT

AMENDING SECTION 43-222, ARIZONA REVISED STATUTES; AMENDING TITLE 43, CHAPTER 10, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-1074.03; AMENDING TITLE 43, CHAPTER 11, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-1184; MAKING APPROPRIATIONS; RELATING TO INDIVIDUAL AND CORPORATE INCOME TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 43, chapter 10, article 5, Arizona Revised Statutes,
3 is amended by adding section 43-1086, to read:

4 43-222. Income tax credit review schedule

5 Each year the joint legislative income tax credit review committee
6 shall review the following income tax credits:

7 1. In 2007, sections 43-1077, 43-1078, 43-1079, 43-1080, 43-1165,
8 43-1166, 43-1167 and 43-1169.

9 2. In 2008, sections 43-1074.01, 43-1081, 43-1168, 43-1170 and
10 43-1178.

11 3. In 2009, sections 43-1076, 43-1081.01, 43-1084, 43-1162 and
12 43-1170.01.

13 4. In 2010, sections 43-1075, 43-1075.01, 43-1079.01, 43-1087,
14 43-1088, 43-1090.01, 43-1163, 43-1163.01, 43-1167.01, 43-1175 and 43-1182.

15 5. In 2011, sections 43-1074.02, 43-1083, 43-1085, 43-1164 and
16 43-1183.

17 6. In 2012, sections 43-1073, 43-1086, 43-1089, 43-1089.01,
18 43-1089.02, 43-1090, 43-1176 and 43-1181.

19 7. IN 2013, SECTIONS 43-1074.03 AND 43-1184

20 Sec. 2. Title 43, chapter 10, article 5, Arizona Revised Statutes, is
21 amended by adding section 43-1086, to read:

22 43-1086. Credit for small business health insurance;
23 definitions

24 A. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2007
25 THROUGH JUNE 30, 2012, A CREDIT IS ALLOWED AGAINST THE TAXES IMPOSED BY THIS
26 TITLE FOR A SMALL BUSINESS THAT PROVIDES HEALTH INSURANCE FOR EMPLOYEES OF
27 THE SMALL BUSINESS. THE AMOUNT OF THE CREDIT SHALL BE DETERMINED BY THIS
28 SECTION, BUT NOT EXCEEDING ONE THOUSAND DOLLARS.

29 B. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2007
30 THROUGH JUNE 30, 2008, ANY SMALL BUSINESS THAT HAS CONTINUOUSLY PROVIDED
31 HEALTH INSURANCE TO ITS EMPLOYEES FOR ANY PERIOD OF TIME BEFORE JULY 1, 2008
32 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT TO THE FOLLOWING:

33 1. ON OR BEFORE SEPTEMBER 1, 2008, HEALTH INSURANCE CARRIERS SHALL
34 ELECTRONICALLY SUBMIT TO THE DEPARTMENT THE FOLLOWING:

35 (a) A LIST OF GROUP POLICY AND GROUP CONTRACT HOLDERS OF EACH SMALL
36 BUSINESS THAT HAS A GROUP SIZE OF AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR.

37 (b) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
38 EACH SMALL BUSINESS LISTED PURSUANT TO SUBDIVISION (A) OF THIS PARAGRAPH.

39 (c) THE GROUP NUMBER AND GROUP SIZE OF EACH SMALL BUSINESS LISTED
40 PURSUANT TO SUBDIVISION (A) OF THIS PARAGRAPH.

41 (d) A TRACKING NUMBER FOR EACH SMALL BUSINESS LISTED PURSUANT TO
42 SUBDIVISION (A) OF THIS PARAGRAPH.

43 2. IF A HEALTH INSURANCE CARRIER CANNOT PROVIDE THE INFORMATION
44 REQUIRED UNDER PARAGRAPH 1 OF THIS SUBSECTION, A SMALL BUSINESS MAY SUBMIT A

1 LETTER TO THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2008 THAT INCLUDES THE
2 FOLLOWING:

3 (a) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
4 THE SMALL BUSINESS.

5 (b) THE NAME OF THE HEALTH INSURANCE CARRIER OF THE SMALL BUSINESS AND
6 THE APPLICABLE DEPARTMENT OF INSURANCE REGISTRATION NUMBER.

7 (c) THE POLICY NUMBER FOR THE SMALL BUSINESS.

8 (d) THE NUMBER OF EMPLOYEES THAT THE SMALL BUSINESS HAS CONTINUOUSLY
9 OFFERED HEALTH INSURANCE TO FOR ANY PERIOD OF TIME BEFORE JULY 1, 2008. THE
10 NUMBER OF EMPLOYEES THAT ARE OFFERED HEALTH INSURANCE BY THE SMALL BUSINESS
11 SHALL BE TWENTY-FOUR OR LESS OR THE SMALL BUSINESS IS NOT ELIGIBLE FOR A
12 CREDIT UNDER THIS SUBSECTION.

13 3. IF THE INFORMATION THAT IS REQUIRED UNDER PARAGRAPH 1 OR 2 OF THIS
14 SUBSECTION IS NOT RECEIVED BY THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2008,
15 THE SMALL BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

16 4. THE DEPARTMENT SHALL NOT ALLOW TAX CREDITS UNDER THIS SUBSECTION
17 AND SECTION 43-1184, SUBSECTION B THAT EXCEED A COMBINED TOTAL OF TWENTY-FOUR
18 MILLION DOLLARS. USING THE INFORMATION RECEIVED UNDER PARAGRAPHS 1 AND 2 OF
19 THIS SUBSECTION, THE DEPARTMENT SHALL DETERMINE THE NUMBER OF SMALL
20 BUSINESSES THAT ARE ELIGIBLE FOR A TAX CREDIT UNDER THIS SUBSECTION AND SHALL
21 CALCULATE THE AMOUNT OF THE TAX CREDIT THAT IS AVAILABLE FOR EACH SMALL
22 BUSINESS. THE AMOUNT OF THE CREDIT SHALL NOT EXCEED ONE THOUSAND DOLLARS.

23 5. THE DEPARTMENT SHALL ASSIGN A CREDIT CLAIM NUMBER TO EACH SMALL
24 BUSINESS THAT IS ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION AND SHALL SEND A
25 WRITTEN NOTIFICATION TO EACH SMALL BUSINESS. THE WRITTEN NOTIFICATION SHALL
26 INDICATE THAT THE SMALL BUSINESS MAY BE ELIGIBLE FOR A CREDIT IF THE
27 REQUIREMENTS OF THIS SECTION ARE MET AND IF THE SMALL BUSINESS PROVIDES A
28 SIGNED AFFIRMATION WITH ITS RETURN THAT THE SMALL BUSINESS:

29 (a) EMPLOYS AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR EMPLOYEES WHO
30 ARE RESIDENTS OF THIS STATE.

31 (b) DOES NOT PAY ANY EMPLOYEE AN ANNUAL TOTAL GROSS COMPENSATION,
32 INCLUDING BONUSES AND COMMISSION, THAT EXCEEDS SEVENTY-FIVE THOUSAND DOLLARS.

33 (c) OFFERS TO PAY FOR AT LEAST FIFTY PER CENT OF THE HEALTH INSURANCE
34 PREMIUMS DURING THE TAXABLE YEAR FOR EVERY EMPLOYEE.

35 (d) WILL CONTINUE TO OFFER HEALTH INSURANCE TO ITS EMPLOYEES THROUGH
36 DECEMBER 31, 2009.

37 6. AT THE TIME OF FILING AND CLAIMING A CREDIT UNDER THIS SUBSECTION,
38 THE SMALL BUSINESS SHALL ATTACH TO THE TAX RETURN THE WRITTEN NOTIFICATION
39 RECEIVED FROM THE DEPARTMENT AND THE REQUIRED SIGNED AFFIRMATION. A CREDIT
40 IS NOT ALLOWED UNDER THIS SUBSECTION IF THE WRITTEN NOTIFICATION AND
41 AFFIRMATION ARE NOT ATTACHED TO THE TAX RETURN.

42 7. THE CREDIT UNDER THIS SUBSECTION IS AVAILABLE TO A SMALL BUSINESS
43 FOR TAX YEAR 2008.

44 C. FOR TAXABLE YEARS BEGINNING FROM AND AFTER JUNE 30, 2008 THROUGH
45 JUNE 30, 2009, ANY SMALL BUSINESS THAT HAS CONTINUOUSLY PROVIDED HEALTH

1 INSURANCE TO ITS EMPLOYEES BEGINNING FOR ANY PERIOD OF TIME FROM AND AFTER
2 JUNE 30, 2008 THROUGH JUNE 30, 2009 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT
3 TO THE FOLLOWING:

4 1. ON OR BEFORE SEPTEMBER 1, 2009, HEALTH INSURANCE CARRIERS SHALL
5 ELECTRONICALLY SUBMIT TO THE DEPARTMENT THE FOLLOWING:

6 (a) A LIST OF GROUP POLICY AND GROUP CONTRACT HOLDERS OF EACH SMALL
7 BUSINESS THAT HAS A GROUP SIZE OF AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR.

8 (b) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
9 EACH SMALL BUSINESS LISTED PURSUANT TO SUBDIVISION (A) OF THIS PARAGRAPH.

10 (c) THE GROUP NUMBER AND GROUP SIZE OF EACH SMALL BUSINESS LISTED
11 PURSUANT TO SUBDIVISION (A) OF THIS PARAGRAPH.

12 (d) A TRACKING NUMBER FOR EACH SMALL BUSINESS LISTED PURSUANT TO
13 SUBDIVISION (A) OF THIS PARAGRAPH.

14 2. IF A HEALTH INSURANCE CARRIER CANNOT PROVIDE THE INFORMATION
15 REQUIRED UNDER PARAGRAPH 1 OF THIS SUBSECTION, A SMALL BUSINESS MAY SUBMIT A
16 LETTER TO THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2009 THAT INCLUDES THE
17 FOLLOWING:

18 (a) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
19 THE SMALL BUSINESS.

20 (b) THE NAME OF THE HEALTH INSURANCE CARRIER OF THE SMALL BUSINESS AND
21 THE APPLICABLE DEPARTMENT OF INSURANCE REGISTRATION NUMBER.

22 (c) THE POLICY NUMBER FOR THE SMALL BUSINESS.

23 (d) THE NUMBER OF EMPLOYEES THAT THE SMALL BUSINESS HAS CONTINUOUSLY
24 OFFERED HEALTH INSURANCE TO FOR ANY PERIOD OF TIME FROM AND AFTER JUNE 30,
25 2008 THROUGH JUNE 30, 2009. THE NUMBER OF EMPLOYEES THAT ARE OFFERED HEALTH
26 INSURANCE BY THE SMALL BUSINESS SHALL BE TWENTY-FOUR OR LESS OR THE SMALL
27 BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

28 3. IF THE INFORMATION THAT IS REQUIRED UNDER PARAGRAPH 1 OR 2 OF THIS
29 SUBSECTION IS NOT RECEIVED BY THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2009,
30 THE SMALL BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

31 4. THE DEPARTMENT SHALL NOT ALLOW TAX CREDITS UNDER THIS SUBSECTION
32 AND SECTION 43-1184, SUBSECTION C THAT EXCEED A COMBINED TOTAL OF ELEVEN
33 MILLION DOLLARS. USING THE INFORMATION RECEIVED UNDER PARAGRAPHS 1 AND 2 OF
34 THIS SUBSECTION, THE DEPARTMENT SHALL DETERMINE THE NUMBER OF SMALL
35 BUSINESSES THAT ARE ELIGIBLE FOR A TAX CREDIT UNDER THIS SUBSECTION AND SHALL
36 CALCULATE THE AMOUNT OF THE TAX CREDIT THAT IS AVAILABLE FOR EACH SMALL
37 BUSINESS. THE AMOUNT OF THE CREDIT SHALL NOT EXCEED ONE THOUSAND DOLLARS.

38 5. THE DEPARTMENT SHALL ASSIGN A CREDIT CLAIM NUMBER TO EACH SMALL
39 BUSINESS THAT IS ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION AND SHALL SEND A
40 WRITTEN NOTIFICATION TO EACH SMALL BUSINESS. THE WRITTEN NOTIFICATION SHALL
41 INDICATE THAT THE SMALL BUSINESS MAY BE ELIGIBLE FOR A CREDIT IF THE
42 REQUIREMENTS OF THIS SECTION ARE MET AND IF THE SMALL BUSINESS PROVIDES A
43 SIGNED AFFIRMATION WITH ITS RETURN THAT THE SMALL BUSINESS:

44 (a) EMPLOYS AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR EMPLOYEES WHO
45 ARE RESIDENTS OF THIS STATE.

1 (b) DOES NOT PAY ANY EMPLOYEE AN ANNUAL TOTAL GROSS COMPENSATION,
2 INCLUDING BONUSES AND COMMISSION, THAT EXCEEDS SEVENTY-FIVE THOUSAND DOLLARS.
3 (c) OFFERS TO PAY FOR AT LEAST FIFTY PER CENT OF THE HEALTH INSURANCE
4 PREMIUMS DURING THE TAXABLE YEAR FOR EVERY EMPLOYEE.
5 (d) WILL CONTINUE TO OFFER HEALTH INSURANCE TO ITS EMPLOYEES THROUGH
6 DECEMBER 31, 2010.
7 6. AT THE TIME OF FILING AND CLAIMING A CREDIT UNDER THIS SUBSECTION,
8 THE SMALL BUSINESS SHALL ATTACH TO THE TAX RETURN THE WRITTEN NOTIFICATION
9 RECEIVED FROM THE DEPARTMENT AND THE REQUIRED SIGNED AFFIRMATION. A CREDIT
10 IS NOT ALLOWED UNDER THIS SUBSECTION IF THE WRITTEN NOTIFICATION AND
11 AFFIRMATION ARE NOT ATTACHED TO THE TAX RETURN.
12 7. THE CREDIT UNDER THIS SUBSECTION IS AVAILABLE TO A SMALL BUSINESS
13 FOR TAX YEAR 2009.
14 8. THE CREDIT UNDER THIS SUBSECTION MAY BE CLAIMED BEFORE THE 2010
15 FILING DEADLINE THROUGH A QUARTERLY TAX FILING.
16 D. FOR TAXABLE YEARS BEGINNING FROM AND AFTER JUNE 30, 2009 THROUGH
17 JUNE 30, 2010, ANY SMALL BUSINESS THAT HAS CONTINUOUSLY PROVIDED HEALTH
18 INSURANCE TO ITS EMPLOYEES BEGINNING FOR ANY PERIOD OF TIME FROM AND AFTER
19 JUNE 30, 2009 THROUGH JUNE 30, 2010 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT
20 TO THE FOLLOWING:
21 1. ON OR BEFORE SEPTEMBER 1, 2010, HEALTH INSURANCE CARRIERS SHALL
22 ELECTRONICALLY SUBMIT TO THE DEPARTMENT THE FOLLOWING:
23 (a) A LIST OF GROUP POLICY AND GROUP CONTRACT HOLDERS OF EACH SMALL
24 BUSINESS THAT HAS A GROUP SIZE OF AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR.
25 (b) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
26 EACH SMALL BUSINESS LISTED PURSUANT TO SUBDIVISION (A) OF THIS PARAGRAPH.
27 (c) THE GROUP NUMBER AND GROUP SIZE OF EACH SMALL BUSINESS LISTED
28 PURSUANT TO SUBDIVISION (A) OF THIS PARAGRAPH.
29 (d) A TRACKING NUMBER FOR EACH SMALL BUSINESS LISTED PURSUANT TO
30 SUBDIVISION (A) OF THIS PARAGRAPH.
31 2. IF A HEALTH INSURANCE CARRIER CANNOT PROVIDE THE INFORMATION
32 REQUIRED UNDER PARAGRAPH 1 OF THIS SUBSECTION, A SMALL BUSINESS MAY SUBMIT A
33 LETTER TO THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2010 THAT INCLUDES THE
34 FOLLOWING:
35 (a) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
36 THE SMALL BUSINESS.
37 (b) THE NAME OF THE HEALTH INSURANCE CARRIER OF THE SMALL BUSINESS AND
38 THE APPLICABLE DEPARTMENT OF INSURANCE REGISTRATION NUMBER.
39 (c) THE POLICY NUMBER FOR THE SMALL BUSINESS.
40 (d) THE NUMBER OF EMPLOYEES THAT THE SMALL BUSINESS HAS CONTINUOUSLY
41 OFFERED HEALTH INSURANCE TO FOR ANY PERIOD OF TIME FROM AND AFTER JUNE 30,
42 2009 THROUGH JUNE 30, 2010. THE NUMBER OF EMPLOYEES THAT ARE OFFERED HEALTH
43 INSURANCE BY THE SMALL BUSINESS SHALL BE TWENTY-FOUR OR LESS OR THE SMALL
44 BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

1 3. IF THE INFORMATION THAT IS REQUIRED UNDER PARAGRAPH 1 OR 2 OF THIS
2 SUBSECTION IS NOT RECEIVED BY THE DEPARTMENT BY SEPTEMBER 1, 2010, THE SMALL
3 BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

4 4. THE DEPARTMENT SHALL NOT ALLOW TAX CREDITS UNDER THIS SUBSECTION
5 AND SECTION 43-1184, SUBSECTION D THAT EXCEED A COMBINED TOTAL OF ELEVEN
6 MILLION DOLLARS. USING THE INFORMATION RECEIVED UNDER PARAGRAPHS 1 AND 2 OF
7 THIS SUBSECTION, THE DEPARTMENT SHALL DETERMINE THE NUMBER OF SMALL
8 BUSINESSES THAT ARE ELIGIBLE FOR A TAX CREDIT UNDER THIS SUBSECTION AND SHALL
9 CALCULATE THE AMOUNT OF THE TAX CREDIT THAT IS AVAILABLE FOR EACH SMALL
10 BUSINESS. THE AMOUNT OF THE CREDIT SHALL NOT EXCEED ONE THOUSAND DOLLARS.

11 5. THE DEPARTMENT SHALL ASSIGN A CREDIT CLAIM NUMBER TO EACH SMALL
12 BUSINESS THAT IS ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION AND SHALL SEND A
13 WRITTEN NOTIFICATION TO EACH SMALL BUSINESS. THE WRITTEN NOTIFICATION SHALL
14 INDICATE THAT THE SMALL BUSINESS MAY BE ELIGIBLE FOR A CREDIT IF THE
15 REQUIREMENTS OF THIS SECTION ARE MET AND IF THE SMALL BUSINESS PROVIDES A
16 SIGNED AFFIRMATION WITH ITS RETURN THAT THE SMALL BUSINESS:

17 (a) EMPLOYS AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR EMPLOYEES WHO
18 ARE RESIDENTS OF THIS STATE.

19 (b) DOES NOT PAY ANY EMPLOYEE AN ANNUAL TOTAL GROSS COMPENSATION,
20 INCLUDING BONUSES AND COMMISSION, THAT EXCEEDS SEVENTY-FIVE THOUSAND DOLLARS.

21 (c) OFFERS TO PAY FOR AT LEAST FIFTY PER CENT OF THE HEALTH INSURANCE
22 PREMIUMS DURING THE TAXABLE YEAR FOR EVERY EMPLOYEE.

23 (d) WILL CONTINUE TO OFFER HEALTH INSURANCE TO ITS EMPLOYEES THROUGH
24 DECEMBER 31, 2011.

25 6. AT THE TIME OF FILING AND CLAIMING A CREDIT UNDER THIS SUBSECTION,
26 THE SMALL BUSINESS SHALL ATTACH TO THE TAX RETURN THE WRITTEN NOTIFICATION
27 RECEIVED FROM THE DEPARTMENT AND THE REQUIRED SIGNED AFFIRMATION. A CREDIT
28 IS NOT ALLOWED UNDER THIS SUBSECTION IF THE WRITTEN NOTIFICATION AND
29 AFFIRMATION ARE NOT ATTACHED TO THE TAX RETURN.

30 7. THE CREDIT UNDER THIS SUBSECTION IS AVAILABLE TO A SMALL BUSINESS
31 FOR TAX YEAR 2010.

32 8. THE CREDIT UNDER THIS SUBSECTION MAY BE CLAIMED BEFORE THE 2011
33 FILING DEADLINE THROUGH A QUARTERLY TAX FILING.

34 E. FOR TAXABLE YEARS BEGINNING FROM AND AFTER JUNE 30, 2010 THROUGH
35 JUNE 30, 2011, ANY SMALL BUSINESS THAT HAS CONTINUOUSLY PROVIDED HEALTH
36 INSURANCE TO ITS EMPLOYEES BEGINNING FOR ANY PERIOD OF TIME FROM AND AFTER
37 JUNE 30, 2010 THROUGH JUNE 30, 2011 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT
38 TO THE FOLLOWING:

39 1. ON OR BEFORE SEPTEMBER 1, 2011, HEALTH INSURANCE CARRIERS SHALL
40 ELECTRONICALLY SUBMIT TO THE DEPARTMENT THE FOLLOWING:

41 (a) A LIST OF GROUP POLICY AND GROUP CONTRACT HOLDERS OF EACH SMALL
42 BUSINESS THAT HAS A GROUP SIZE OF AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR.

43 (b) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
44 EACH SMALL BUSINESS LISTED PURSUANT TO SUBDIVISION (A) OF THIS PARAGRAPH.

1 (c) THE GROUP NUMBER AND GROUP SIZE OF EACH SMALL BUSINESS LISTED
2 PURSUANT TO SUBDIVISION (A) OF THIS PARAGRAPH.

3 (d) A TRACKING NUMBER FOR EACH SMALL BUSINESS LISTED PURSUANT TO
4 SUBDIVISION (a) OF THIS PARAGRAPH.

5 2. IF A HEALTH INSURANCE CARRIER CANNOT PROVIDE THE INFORMATION
6 REQUIRED UNDER PARAGRAPH 1 OF THIS SUBSECTION, A SMALL BUSINESS MAY SUBMIT A
7 LETTER TO THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2011 THAT INCLUDES THE
8 FOLLOWING:

9 (a) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
10 THE SMALL BUSINESS.

11 (b) THE NAME OF THE HEALTH INSURANCE CARRIER OF THE SMALL BUSINESS AND
12 THE APPLICABLE DEPARTMENT OF INSURANCE REGISTRATION NUMBER.

13 (c) THE POLICY NUMBER FOR THE SMALL BUSINESS.

14 (d) THE NUMBER OF EMPLOYEES THAT THE SMALL BUSINESS HAS CONTINUOUSLY
15 OFFERED HEALTH INSURANCE TO FOR ANY PERIOD OF TIME FROM AND AFTER JUNE 30,
16 2010 THROUGH JUNE 30, 2011. THE NUMBER OF EMPLOYEES THAT ARE OFFERED HEALTH
17 INSURANCE BY THE SMALL BUSINESS SHALL BE TWENTY-FOUR OR LESS OR THE SMALL
18 BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

19 3. IF THE INFORMATION THAT IS REQUIRED UNDER PARAGRAPH 1 OR 2 OF THIS
20 SUBSECTION IS NOT RECEIVED BY THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2011,
21 THE SMALL BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

22 4. THE DEPARTMENT SHALL NOT ALLOW TAX CREDITS UNDER THIS SUBSECTION
23 AND SECTION 43-1184, SUBSECTION E THAT EXCEED A COMBINED TOTAL OF ELEVEN
24 MILLION DOLLARS. USING THE INFORMATION RECEIVED UNDER PARAGRAPHS 1 AND 2 OF
25 THIS SUBSECTION, THE DEPARTMENT SHALL DETERMINE THE NUMBER OF SMALL
26 BUSINESSES THAT ARE ELIGIBLE FOR A TAX CREDIT UNDER THIS SUBSECTION AND SHALL
27 CALCULATE THE AMOUNT OF THE TAX CREDIT THAT IS AVAILABLE FOR EACH SMALL
28 BUSINESS. THE AMOUNT OF THE CREDIT SHALL NOT EXCEED ONE THOUSAND DOLLARS.

29 5. THE DEPARTMENT SHALL ASSIGN A CREDIT CLAIM NUMBER TO EACH SMALL
30 BUSINESS THAT IS ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION AND SHALL SEND A
31 WRITTEN NOTIFICATION TO EACH SMALL BUSINESS. THE WRITTEN NOTIFICATION SHALL
32 INDICATE THAT THE SMALL BUSINESS MAY BE ELIGIBLE FOR A CREDIT IF THE
33 REQUIREMENTS OF THIS SECTION ARE MET AND IF THE SMALL BUSINESS PROVIDES A
34 SIGNED AFFIRMATION WITH ITS RETURN THAT THE SMALL BUSINESS:

35 (a) EMPLOYS AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR EMPLOYEES WHO
36 ARE RESIDENTS OF THIS STATE.

37 (b) DOES NOT PAY ANY EMPLOYEE AN ANNUAL TOTAL GROSS COMPENSATION,
38 INCLUDING BONUSES AND COMMISSION, THAT EXCEEDS SEVENTY-FIVE THOUSAND DOLLARS.

39 (c) OFFERS TO PAY FOR AT LEAST FIFTY PER CENT OF THE HEALTH INSURANCE
40 PREMIUMS DURING THE TAXABLE YEAR FOR EVERY EMPLOYEE.

41 (d) WILL CONTINUE TO OFFER HEALTH INSURANCE TO ITS EMPLOYEES THROUGH
42 DECEMBER 31, 2012.

43 6. AT THE TIME OF FILING AND CLAIMING A CREDIT UNDER THIS SUBSECTION,
44 THE SMALL BUSINESS SHALL ATTACH TO THE TAX RETURN THE WRITTEN NOTIFICATION
45 RECEIVED FROM THE DEPARTMENT AND THE REQUIRED SIGNED AFFIRMATION. A CREDIT

1 IS NOT ALLOWED UNDER THIS SUBSECTION IF THE WRITTEN NOTIFICATION AND
2 AFFIRMATION ARE NOT ATTACHED TO THE TAX RETURN.

3 7. THE CREDIT UNDER THIS SUBSECTION IS AVAILABLE TO A SMALL BUSINESS
4 FOR TAX YEAR 2011.

5 8. THE CREDIT UNDER THIS SUBSECTION MAY BE CLAIMED BEFORE THE 2012
6 FILING DEADLINE THROUGH A QUARTERLY TAX FILING.

7 F. FOR TAXABLE YEARS BEGINNING FROM AND AFTER JUNE 30, 2011 THROUGH
8 JUNE 30, 2012, ANY SMALL BUSINESS THAT HAS CONTINUOUSLY PROVIDED HEALTH
9 INSURANCE TO ITS EMPLOYEES BEGINNING FOR ANY PERIOD OF TIME FROM AND AFTER
10 JUNE 30, 2011 THROUGH JUNE 30, 2012 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT
11 TO THE FOLLOWING:

12 1. ON OR BEFORE SEPTEMBER 1, 2012, HEALTH INSURANCE CARRIERS SHALL
13 ELECTRONICALLY SUBMIT TO THE DEPARTMENT THE FOLLOWING:

14 (a) A LIST OF GROUP POLICY AND GROUP CONTRACT HOLDERS OF EACH SMALL
15 BUSINESS THAT HAS A GROUP SIZE OF AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR.

16 (b) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
17 EACH SMALL BUSINESS LISTED PURSUANT TO SUBDIVISION (A) OF THIS PARAGRAPH.

18 (c) THE GROUP NUMBER AND GROUP SIZE OF EACH SMALL BUSINESS LISTED
19 PURSUANT TO SUBDIVISION (A) OF THIS PARAGRAPH.

20 (d) A TRACKING NUMBER FOR EACH SMALL BUSINESS LISTED PURSUANT TO
21 SUBDIVISION (a) OF THIS PARAGRAPH.

22 2. IF A HEALTH INSURANCE CARRIER CANNOT PROVIDE THE INFORMATION
23 REQUIRED UNDER PARAGRAPH 1 OF THIS SUBSECTION, A SMALL BUSINESS MAY SUBMIT A
24 LETTER TO THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2012 THAT INCLUDES THE
25 FOLLOWING:

26 (a) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
27 THE SMALL BUSINESS.

28 (b) THE NAME OF THE HEALTH INSURANCE CARRIER OF THE SMALL BUSINESS AND
29 THE APPLICABLE DEPARTMENT OF INSURANCE REGISTRATION NUMBER.

30 (c) THE POLICY NUMBER FOR THE SMALL BUSINESS.

31 (d) THE NUMBER OF EMPLOYEES THAT THE SMALL BUSINESS HAS CONTINUOUSLY
32 OFFERED HEALTH INSURANCE TO FOR ANY PERIOD OF TIME FROM AND AFTER JUNE 30,
33 2011 THROUGH JUNE 30, 2012. THE NUMBER OF EMPLOYEES THAT ARE OFFERED HEALTH
34 INSURANCE BY THE SMALL BUSINESS SHALL BE TWENTY-FOUR OR LESS OR THE SMALL
35 BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

36 3. IF THE INFORMATION THAT IS REQUIRED UNDER PARAGRAPH 1 OR 2 OF THIS
37 SUBSECTION IS NOT RECEIVED BY THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2012,
38 THE SMALL BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

39 4. THE DEPARTMENT SHALL NOT ALLOW TAX CREDITS UNDER THIS SUBSECTION
40 AND SECTION 43-1184, SUBSECTION F THAT EXCEED A COMBINED TOTAL OF ELEVEN
41 MILLION DOLLARS. USING THE INFORMATION RECEIVED UNDER PARAGRAPHS 1 AND 2 OF
42 THIS SUBSECTION, THE DEPARTMENT SHALL DETERMINE THE NUMBER OF SMALL
43 BUSINESSES THAT ARE ELIGIBLE FOR A TAX CREDIT UNDER THIS SUBSECTION AND SHALL
44 CALCULATE THE AMOUNT OF THE TAX CREDIT THAT IS AVAILABLE FOR EACH SMALL
45 BUSINESS. THE AMOUNT OF THE CREDIT SHALL NOT EXCEED ONE THOUSAND DOLLARS.

1 5. THE DEPARTMENT SHALL ASSIGN A CREDIT CLAIM NUMBER TO EACH SMALL
2 BUSINESS THAT IS ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION AND SHALL SEND A
3 WRITTEN NOTIFICATION TO EACH SMALL BUSINESS. THE WRITTEN NOTIFICATION SHALL
4 INDICATE THAT THE SMALL BUSINESS MAY BE ELIGIBLE FOR A CREDIT IF THE
5 REQUIREMENTS OF THIS SECTION ARE MET AND IF THE SMALL BUSINESS PROVIDES A
6 SIGNED AFFIRMATION WITH ITS RETURN THAT THE SMALL BUSINESS:

7 (a) EMPLOYS AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR EMPLOYEES WHO
8 ARE RESIDENTS OF THIS STATE.

9 (b) DOES NOT PAY ANY EMPLOYEE AN ANNUAL TOTAL GROSS COMPENSATION,
10 INCLUDING BONUSES AND COMMISSION, THAT EXCEEDS SEVENTY-FIVE THOUSAND DOLLARS.

11 (c) OFFERS TO PAY FOR AT LEAST FIFTY PER CENT OF THE HEALTH INSURANCE
12 PREMIUMS DURING THE TAXABLE YEAR FOR EVERY EMPLOYEE.

13 (d) WILL CONTINUE TO OFFER HEALTH INSURANCE TO ITS EMPLOYEES THROUGH
14 DECEMBER 31, 2013.

15 6. AT THE TIME OF FILING AND CLAIMING A CREDIT UNDER THIS SUBSECTION,
16 THE SMALL BUSINESS SHALL ATTACH TO THE TAX RETURN THE WRITTEN NOTIFICATION
17 RECEIVED FROM THE DEPARTMENT AND THE REQUIRED SIGNED AFFIRMATION. A CREDIT
18 IS NOT ALLOWED UNDER THIS SUBSECTION IF THE WRITTEN NOTIFICATION AND
19 AFFIRMATION ARE NOT ATTACHED TO THE TAX RETURN.

20 7. THE CREDIT UNDER THIS SUBSECTION IS AVAILABLE TO A SMALL BUSINESS
21 FOR TAX YEAR 2012.

22 8. THE CREDIT UNDER THIS SUBSECTION MAY BE CLAIMED BEFORE THE 2013
23 FILING DEADLINE THROUGH A QUARTERLY TAX FILING.

24 G. A TAXPAYER WHO CLAIMS A CREDIT UNDER THIS SECTION SHALL NOT CLAIM A
25 CREDIT UNDER THIS SECTION IN ANY SUBSEQUENT TAXABLE YEAR.

26 H. IF THE ALLOWABLE AMOUNT OF THE CREDIT UNDER THIS SECTION EXCEEDS
27 THE AMOUNT OF TAX DUE UNDER THIS TITLE, AFTER APPLYING ALL OTHER CREDITS TO
28 WHICH THE CLAIMANT MAY BE ENTITLED AND AFTER ANY SETOFF UNDER SECTION
29 42-1122, THE EXCESS SHALL BE PAID IN THE SAME MANNER AS A REFUND UNDER
30 SECTION 42-1118.

31 I. CO-OWNERS OF A BUSINESS, INCLUDING PARTNERS IN A PARTNERSHIP AND
32 SHAREHOLDERS OF AN S CORPORATION, AS DEFINED IN SECTION 1361 OF THE INTERNAL
33 REVENUE CODE, MAY EACH CLAIM ONLY THE PRO RATA SHARE OF THE CREDIT ALLOWED
34 UNDER THIS SECTION BASED ON THE OWNERSHIP INTEREST. THE TOTAL OF THE CREDITS
35 ALLOWED ALL OF THE OWNERS SHALL NOT EXCEED THE AMOUNT THAT WOULD HAVE BEEN
36 ALLOWED FOR A SOLE OWNER.

37 J. FOR THE PURPOSES OF THIS SECTION:

38 1. "EMPLOYEE" MEANS A FULL-TIME EQUIVALENT EMPLOYEE WHO WORKS A
39 REGULAR WORK WEEK OF AT LEAST TWENTY HOURS. EMPLOYEE DOES NOT INCLUDE
40 OWNERS, PARTNERS OR SHAREHOLDERS OF A SMALL BUSINESS.

41 2. "HEALTH INSURANCE" MEANS AN ACCOUNTABLE HEALTH PLAN AS DEFINED IN
42 SECTION 20-2301 OR A HEALTH BENEFIT PLAN AS DEFINED IN SECTION 36-2912.

43 3. "HEALTH INSURANCE CARRIER" MEANS AN ENTITY THAT PROVIDES HEALTH
44 INSURANCE.

- 1 4. "SMALL BUSINESS" MEANS AN EMPLOYER IN THIS STATE THAT:
- 2 (a) EMPLOYS AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR EMPLOYEES WHO
- 3 ARE RESIDENTS OF THIS STATE.
- 4 (b) OFFERS TO PAY FOR AT LEAST FIFTY PER CENT OF THE HEALTH INSURANCE
- 5 PREMIUMS DURING THE TAXABLE YEAR FOR EVERY EMPLOYEE.
- 6 (c) DOES NOT PAY ANY EMPLOYEE AN ANNUAL TOTAL GROSS COMPENSATION,
- 7 INCLUDING BONUSES AND COMMISSION, THAT EXCEEDS SEVENTY-FIVE THOUSAND DOLLARS.
- 8 (d) HAS CONDUCTED THE SMALL BUSINESS FOR AT LEAST ONE YEAR.

9 Sec. 3. Title 43, chapter 11, article 6, Arizona Revised Statutes, is
 10 amended by adding section 43-1184, to read:

11 43-1184. Credit for small business health insurance;
 12 definitions

13 A. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2007
 14 THROUGH JUNE 30, 2012, A CREDIT IS ALLOWED AGAINST THE TAXES IMPOSED BY THIS
 15 TITLE FOR A SMALL BUSINESS THAT PROVIDES HEALTH INSURANCE FOR EMPLOYEES OF
 16 THE SMALL BUSINESS. THE AMOUNT OF THE CREDIT SHALL BE DETERMINED BY THIS
 17 SECTION, BUT NOT EXCEEDING ONE THOUSAND DOLLARS.

18 B. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2007
 19 THROUGH JUNE 30, 2008, ANY SMALL BUSINESS THAT HAS CONTINUOUSLY PROVIDED
 20 HEALTH INSURANCE TO ITS EMPLOYEES FOR ANY PERIOD OF TIME BEFORE JULY 1, 2008
 21 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT TO THE FOLLOWING:

22 1. ON OR BEFORE SEPTEMBER 1, 2008, HEALTH INSURANCE CARRIERS SHALL
 23 ELECTRONICALLY SUBMIT TO THE DEPARTMENT THE FOLLOWING:

- 24 (a) A LIST OF GROUP POLICY AND GROUP CONTRACT HOLDERS OF EACH SMALL
- 25 BUSINESS THAT HAS A GROUP SIZE OF AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR.
- 26 (b) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
- 27 EACH SMALL BUSINESS LISTED PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH.
- 28 (c) THE GROUP NUMBER AND GROUP SIZE OF EACH SMALL BUSINESS LISTED
- 29 PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH.
- 30 (d) A TRACKING NUMBER FOR EACH SMALL BUSINESS LISTED PURSUANT TO
- 31 SUBDIVISION (a) OF THIS PARAGRAPH.

32 2. IF A HEALTH INSURANCE CARRIER CANNOT PROVIDE THE INFORMATION
 33 REQUIRED UNDER PARAGRAPH 1 OF THIS SUBSECTION, A SMALL BUSINESS MAY SUBMIT A
 34 LETTER TO THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2008 THAT INCLUDES THE
 35 FOLLOWING:

- 36 (a) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
- 37 THE SMALL BUSINESS.
- 38 (b) THE NAME OF THE HEALTH INSURANCE CARRIER OF THE SMALL BUSINESS AND
- 39 THE APPLICABLE DEPARTMENT OF INSURANCE REGISTRATION NUMBER.
- 40 (c) THE POLICY NUMBER FOR THE SMALL BUSINESS.
- 41 (d) THE NUMBER OF EMPLOYEES THAT THE SMALL BUSINESS HAS CONTINUOUSLY
- 42 OFFERED HEALTH INSURANCE TO FOR ANY PERIOD OF TIME BEFORE JULY 1, 2008. THE
- 43 NUMBER OF EMPLOYEES THAT ARE OFFERED HEALTH INSURANCE BY THE SMALL BUSINESS
- 44 SHALL BE TWENTY-FOUR OR LESS OR THE SMALL BUSINESS IS NOT ELIGIBLE FOR A
- 45 CREDIT UNDER THIS SUBSECTION.

1 3. IF THE INFORMATION THAT IS REQUIRED UNDER PARAGRAPH 1 OR 2 OF THIS
2 SUBSECTION IS NOT RECEIVED BY THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2008,
3 THE SMALL BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

4 4. THE DEPARTMENT SHALL NOT ALLOW TAX CREDITS UNDER THIS SUBSECTION
5 AND SECTION 43-1074.03, SUBSECTION B THAT EXCEED A COMBINED TOTAL OF TWENTY-
6 FOUR MILLION DOLLARS. USING THE INFORMATION RECEIVED UNDER PARAGRAPHS 1 AND
7 2 OF THIS SUBSECTION, THE DEPARTMENT SHALL DETERMINE THE NUMBER OF SMALL
8 BUSINESSES THAT ARE ELIGIBLE FOR A TAX CREDIT UNDER THIS SUBSECTION AND SHALL
9 CALCULATE THE AMOUNT OF THE TAX CREDIT THAT IS AVAILABLE FOR EACH SMALL
10 BUSINESS. THE AMOUNT OF THE CREDIT SHALL NOT EXCEED ONE THOUSAND DOLLARS.

11 5. THE DEPARTMENT SHALL ASSIGN A CREDIT CLAIM NUMBER TO EACH SMALL
12 BUSINESS THAT IS ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION AND SHALL SEND A
13 WRITTEN NOTIFICATION TO EACH SMALL BUSINESS. THE WRITTEN NOTIFICATION SHALL
14 INDICATE THAT THE SMALL BUSINESS MAY BE ELIGIBLE FOR A CREDIT IF THE
15 REQUIREMENTS OF THIS SECTION ARE MET AND IF THE SMALL BUSINESS PROVIDES A
16 SIGNED AFFIRMATION WITH ITS RETURN THAT THE SMALL BUSINESS:

17 (a) EMPLOYS AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR EMPLOYEES WHO
18 ARE RESIDENTS OF THIS STATE.

19 (b) DOES NOT PAY ANY EMPLOYEE AN ANNUAL TOTAL GROSS COMPENSATION,
20 INCLUDING BONUSES AND COMMISSION, THAT EXCEEDS SEVENTY-FIVE THOUSAND DOLLARS.

21 (c) OFFERS TO PAY FOR AT LEAST FIFTY PER CENT OF THE HEALTH INSURANCE
22 PREMIUMS DURING THE TAXABLE YEAR FOR EVERY EMPLOYEE.

23 (d) WILL CONTINUE TO OFFER HEALTH INSURANCE TO ITS EMPLOYEES THROUGH
24 DECEMBER 31, 2009.

25 6. AT THE TIME OF FILING AND CLAIMING A CREDIT UNDER THIS SUBSECTION,
26 THE SMALL BUSINESS SHALL ATTACH TO THE TAX RETURN THE WRITTEN NOTIFICATION
27 RECEIVED FROM THE DEPARTMENT AND THE REQUIRED SIGNED AFFIRMATION. A CREDIT
28 IS NOT ALLOWED UNDER THIS SUBSECTION IF THE WRITTEN NOTIFICATION AND
29 AFFIRMATION ARE NOT ATTACHED TO THE TAX RETURN.

30 7. THE CREDIT UNDER THIS SUBSECTION IS AVAILABLE TO A SMALL BUSINESS
31 FOR TAX YEAR 2008.

32 C. FOR TAXABLE YEARS BEGINNING FROM AND AFTER JUNE 30, 2008 THROUGH
33 JUNE 30, 2009, ANY SMALL BUSINESS THAT HAS CONTINUOUSLY PROVIDED HEALTH
34 INSURANCE TO ITS EMPLOYEES BEGINNING FOR ANY PERIOD OF TIME FROM AND AFTER
35 JUNE 30, 2008 THROUGH JUNE 30, 2009 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT
36 TO THE FOLLOWING:

37 1. ON OR BEFORE SEPTEMBER 1, 2009, HEALTH INSURANCE CARRIERS SHALL
38 ELECTRONICALLY SUBMIT TO THE DEPARTMENT THE FOLLOWING:

39 (a) A LIST OF GROUP POLICY AND GROUP CONTRACT HOLDERS OF EACH SMALL
40 BUSINESS THAT HAS A GROUP SIZE OF AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR.

41 (b) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
42 EACH SMALL BUSINESS LISTED PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH.

43 (c) THE GROUP NUMBER AND GROUP SIZE OF EACH SMALL BUSINESS LISTED
44 PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH.

1 (d) A TRACKING NUMBER FOR EACH SMALL BUSINESS LISTED PURSUANT TO
2 SUBDIVISION (a) OF THIS PARAGRAPH.

3 2. IF A HEALTH INSURANCE CARRIER CANNOT PROVIDE THE INFORMATION
4 REQUIRED UNDER PARAGRAPH 1 OF THIS SUBSECTION, A SMALL BUSINESS MAY SUBMIT A
5 LETTER TO THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2009 THAT INCLUDES THE
6 FOLLOWING:

7 (a) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
8 THE SMALL BUSINESS.

9 (b) THE NAME OF THE HEALTH INSURANCE CARRIER OF THE SMALL BUSINESS AND
10 THE APPLICABLE DEPARTMENT OF INSURANCE REGISTRATION NUMBER.

11 (c) THE POLICY NUMBER FOR THE SMALL BUSINESS.

12 (d) THE NUMBER OF EMPLOYEES THAT THE SMALL BUSINESS HAS CONTINUOUSLY
13 OFFERED HEALTH INSURANCE TO FOR ANY PERIOD OF TIME FROM AND AFTER JUNE 30,
14 2008 THROUGH JUNE 30, 2009. THE NUMBER OF EMPLOYEES THAT ARE OFFERED HEALTH
15 INSURANCE BY THE SMALL BUSINESS SHALL BE TWENTY-FOUR OR LESS OR THE SMALL
16 BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

17 3. IF THE INFORMATION THAT IS REQUIRED UNDER PARAGRAPH 1 OR 2 OF THIS
18 SUBSECTION IS NOT RECEIVED BY THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2009,
19 THE SMALL BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

20 4. THE DEPARTMENT SHALL NOT ALLOW TAX CREDITS UNDER THIS SUBSECTION
21 AND SECTION 43-1074.03, SUBSECTION C THAT EXCEED A COMBINED TOTAL OF ELEVEN
22 MILLION DOLLARS. USING THE INFORMATION RECEIVED UNDER PARAGRAPHS 1 AND 2 OF
23 THIS SUBSECTION, THE DEPARTMENT SHALL DETERMINE THE NUMBER OF SMALL
24 BUSINESSES THAT ARE ELIGIBLE FOR A TAX CREDIT UNDER THIS SUBSECTION AND SHALL
25 CALCULATE THE AMOUNT OF THE TAX CREDIT THAT IS AVAILABLE FOR EACH SMALL
26 BUSINESS. THE AMOUNT OF THE CREDIT SHALL NOT EXCEED ONE THOUSAND DOLLARS.

27 5. THE DEPARTMENT SHALL ASSIGN A CREDIT CLAIM NUMBER TO EACH SMALL
28 BUSINESS THAT IS ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION AND SHALL SEND A
29 WRITTEN NOTIFICATION TO EACH SMALL BUSINESS. THE WRITTEN NOTIFICATION SHALL
30 INDICATE THAT THE SMALL BUSINESS MAY BE ELIGIBLE FOR A CREDIT IF THE
31 REQUIREMENTS OF THIS SECTION ARE MET AND IF THE SMALL BUSINESS PROVIDES A
32 SIGNED AFFIRMATION WITH ITS RETURN THAT THE SMALL BUSINESS:

33 (a) EMPLOYS AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR EMPLOYEES WHO
34 ARE RESIDENTS OF THIS STATE.

35 (b) DOES NOT PAY ANY EMPLOYEE AN ANNUAL TOTAL GROSS COMPENSATION,
36 INCLUDING BONUSES AND COMMISSION, THAT EXCEEDS SEVENTY-FIVE THOUSAND DOLLARS.

37 (c) OFFERS TO PAY FOR AT LEAST FIFTY PER CENT OF THE HEALTH INSURANCE
38 PREMIUMS DURING THE TAXABLE YEAR FOR EVERY EMPLOYEE.

39 (d) WILL CONTINUE TO OFFER HEALTH INSURANCE TO ITS EMPLOYEES THROUGH
40 DECEMBER 31, 2010.

41 6. AT THE TIME OF FILING AND CLAIMING A CREDIT UNDER THIS SUBSECTION,
42 THE SMALL BUSINESS SHALL ATTACH TO THE TAX RETURN THE WRITTEN NOTIFICATION
43 RECEIVED FROM THE DEPARTMENT AND THE REQUIRED SIGNED AFFIRMATION. A CREDIT
44 IS NOT ALLOWED UNDER THIS SUBSECTION IF THE WRITTEN NOTIFICATION AND
45 AFFIRMATION ARE NOT ATTACHED TO THE TAX RETURN.

1 7. THE CREDIT UNDER THIS SUBSECTION IS AVAILABLE TO A SMALL BUSINESS
2 FOR TAX YEAR 2009.

3 8. THE CREDIT UNDER THIS SUBSECTION MAY BE CLAIMED BEFORE THE 2010
4 FILING DEADLINE THROUGH A QUARTERLY TAX FILING.

5 D. FOR TAXABLE YEARS BEGINNING FROM AND AFTER JUNE 30, 2009 THROUGH
6 JUNE 30, 2010, ANY SMALL BUSINESS THAT HAS CONTINUOUSLY PROVIDED HEALTH
7 INSURANCE TO ITS EMPLOYEES BEGINNING FOR ANY PERIOD OF TIME FROM AND AFTER
8 JUNE 30, 2009 THROUGH JUNE 30, 2010 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT
9 TO THE FOLLOWING:

10 1. ON OR BEFORE SEPTEMBER 1, 2010, HEALTH INSURANCE CARRIERS SHALL
11 ELECTRONICALLY SUBMIT TO THE DEPARTMENT THE FOLLOWING:

12 (a) A LIST OF GROUP POLICY AND GROUP CONTRACT HOLDERS OF EACH SMALL
13 BUSINESS THAT HAS A GROUP SIZE OF AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR.

14 (b) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
15 EACH SMALL BUSINESS LISTED PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH.

16 (c) THE GROUP NUMBER AND GROUP SIZE OF EACH SMALL BUSINESS LISTED
17 PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH.

18 (d) A TRACKING NUMBER FOR EACH SMALL BUSINESS LISTED PURSUANT TO
19 SUBDIVISION (a) OF THIS PARAGRAPH.

20 2. IF A HEALTH INSURANCE CARRIER CANNOT PROVIDE THE INFORMATION
21 REQUIRED UNDER PARAGRAPH 1 OF THIS SUBSECTION, A SMALL BUSINESS MAY SUBMIT A
22 LETTER TO THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2010 THAT INCLUDES THE
23 FOLLOWING:

24 (a) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
25 THE SMALL BUSINESS.

26 (b) THE NAME OF THE HEALTH INSURANCE CARRIER OF THE SMALL BUSINESS AND
27 THE APPLICABLE DEPARTMENT OF INSURANCE REGISTRATION NUMBER.

28 (c) THE POLICY NUMBER FOR THE SMALL BUSINESS.

29 (d) THE NUMBER OF EMPLOYEES THAT THE SMALL BUSINESS HAS CONTINUOUSLY
30 OFFERED HEALTH INSURANCE TO FOR ANY PERIOD OF TIME FROM AND AFTER JUNE 30,
31 2009 THROUGH JUNE 30, 2010. THE NUMBER OF EMPLOYEES THAT ARE OFFERED HEALTH
32 INSURANCE BY THE SMALL BUSINESS SHALL BE TWENTY-FOUR OR LESS OR THE SMALL
33 BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

34 3. IF THE INFORMATION THAT IS REQUIRED UNDER PARAGRAPH 1 OR 2 OF THIS
35 SUBSECTION IS NOT RECEIVED BY THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2010,
36 THE SMALL BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

37 4. THE DEPARTMENT SHALL NOT ALLOW TAX CREDITS UNDER THIS SUBSECTION
38 AND SECTION 43-1074.03, SUBSECTION D THAT EXCEED A COMBINED TOTAL OF ELEVEN
39 MILLION DOLLARS. USING THE INFORMATION RECEIVED UNDER PARAGRAPHS 1 AND 2 OF
40 THIS SUBSECTION, THE DEPARTMENT SHALL DETERMINE THE NUMBER OF SMALL
41 BUSINESSES THAT ARE ELIGIBLE FOR A TAX CREDIT UNDER THIS SUBSECTION AND SHALL
42 CALCULATE THE AMOUNT OF THE TAX CREDIT THAT IS AVAILABLE FOR EACH SMALL
43 BUSINESS. THE AMOUNT OF THE CREDIT SHALL NOT EXCEED ONE THOUSAND DOLLARS.

1 5. THE DEPARTMENT SHALL ASSIGN A CREDIT CLAIM NUMBER TO EACH SMALL
2 BUSINESS THAT IS ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION AND SHALL SEND A
3 WRITTEN NOTIFICATION TO EACH SMALL BUSINESS. THE WRITTEN NOTIFICATION SHALL
4 INDICATE THAT THE SMALL BUSINESS MAY BE ELIGIBLE FOR A CREDIT IF THE
5 REQUIREMENTS OF THIS SECTION ARE MET AND IF THE SMALL BUSINESS PROVIDES A
6 SIGNED AFFIRMATION WITH ITS RETURN THAT THE SMALL BUSINESS:

7 (a) EMPLOYS AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR EMPLOYEES WHO
8 ARE RESIDENTS OF THIS STATE.

9 (b) DOES NOT PAY ANY EMPLOYEE AN ANNUAL TOTAL GROSS COMPENSATION,
10 INCLUDING BONUSES AND COMMISSION, THAT EXCEEDS SEVENTY-FIVE THOUSAND DOLLARS.

11 (c) OFFERS TO PAY FOR AT LEAST FIFTY PER CENT OF THE HEALTH INSURANCE
12 PREMIUMS DURING THE TAXABLE YEAR FOR EVERY EMPLOYEE.

13 (d) WILL CONTINUE TO OFFER HEALTH INSURANCE TO ITS EMPLOYEES THROUGH
14 DECEMBER 31, 2011.

15 6. AT THE TIME OF FILING AND CLAIMING A CREDIT UNDER THIS SUBSECTION,
16 THE SMALL BUSINESS SHALL ATTACH TO THE TAX RETURN THE WRITTEN NOTIFICATION
17 RECEIVED FROM THE DEPARTMENT AND THE REQUIRED SIGNED AFFIRMATION. A CREDIT
18 IS NOT ALLOWED UNDER THIS SUBSECTION IF THE WRITTEN NOTIFICATION AND
19 AFFIRMATION ARE NOT ATTACHED TO THE TAX RETURN.

20 7. THE CREDIT UNDER THIS SUBSECTION IS AVAILABLE TO A SMALL BUSINESS
21 FOR TAX YEAR 2010.

22 8. THE CREDIT UNDER THIS SUBSECTION MAY BE CLAIMED BEFORE THE 2011
23 FILING DEADLINE THROUGH A QUARTERLY TAX FILING.

24 E. FOR TAXABLE YEARS BEGINNING FROM AND AFTER JUNE 30, 2010 THROUGH
25 JUNE 30, 2011, ANY SMALL BUSINESS THAT HAS CONTINUOUSLY PROVIDED HEALTH
26 INSURANCE TO ITS EMPLOYEES BEGINNING FOR ANY PERIOD OF TIME FROM AND AFTER
27 JUNE 30, 2010 THROUGH JUNE 30, 2011 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT
28 TO THE FOLLOWING:

29 1. ON OR BEFORE SEPTEMBER 1, 2011, HEALTH INSURANCE CARRIERS SHALL
30 ELECTRONICALLY SUBMIT TO THE DEPARTMENT THE FOLLOWING:

31 (a) A LIST OF GROUP POLICY AND GROUP CONTRACT HOLDERS OF EACH SMALL
32 BUSINESS THAT HAS A GROUP SIZE OF AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR.

33 (b) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
34 EACH SMALL BUSINESS LISTED PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH.

35 (c) THE GROUP NUMBER AND GROUP SIZE OF EACH SMALL BUSINESS LISTED
36 PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH.

37 (d) A TRACKING NUMBER FOR EACH SMALL BUSINESS LISTED PURSUANT TO
38 SUBDIVISION (a) OF THIS PARAGRAPH.

39 2. IF A HEALTH INSURANCE CARRIER CANNOT PROVIDE THE INFORMATION
40 REQUIRED UNDER PARAGRAPH 1 OF THIS SUBSECTION, A SMALL BUSINESS MAY SUBMIT A
41 LETTER TO THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2011 THAT INCLUDES THE
42 FOLLOWING:

43 (a) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
44 THE SMALL BUSINESS.

1 (b) THE NAME OF THE HEALTH INSURANCE CARRIER OF THE SMALL BUSINESS AND
2 THE APPLICABLE DEPARTMENT OF INSURANCE REGISTRATION NUMBER.

3 (c) THE POLICY NUMBER FOR THE SMALL BUSINESS.

4 (d) THE NUMBER OF EMPLOYEES THAT THE SMALL BUSINESS HAS CONTINUOUSLY
5 OFFERED HEALTH INSURANCE TO FOR ANY PERIOD OF TIME FROM AND AFTER JUNE 30,
6 2010 THROUGH JUNE 30, 2011. THE NUMBER OF EMPLOYEES THAT ARE OFFERED HEALTH
7 INSURANCE BY THE SMALL BUSINESS SHALL BE TWENTY-FOUR OR LESS OR THE SMALL
8 BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

9 3. IF THE INFORMATION THAT IS REQUIRED UNDER PARAGRAPH 1 OR 2 OF THIS
10 SUBSECTION IS NOT RECEIVED BY THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2011,
11 THE SMALL BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

12 4. THE DEPARTMENT SHALL NOT ALLOW TAX CREDITS UNDER THIS SUBSECTION
13 AND SECTION 43-1074.03, SUBSECTION E THAT EXCEED A COMBINED TOTAL OF ELEVEN
14 MILLION DOLLARS. USING THE INFORMATION RECEIVED UNDER PARAGRAPHS 1 AND 2 OF
15 THIS SUBSECTION, THE DEPARTMENT SHALL DETERMINE THE NUMBER OF SMALL
16 BUSINESSES THAT ARE ELIGIBLE FOR A TAX CREDIT UNDER THIS SUBSECTION AND SHALL
17 CALCULATE THE AMOUNT OF THE TAX CREDIT THAT IS AVAILABLE FOR EACH SMALL
18 BUSINESS. THE AMOUNT OF THE CREDIT SHALL NOT EXCEED ONE THOUSAND DOLLARS.

19 5. THE DEPARTMENT SHALL ASSIGN A CREDIT CLAIM NUMBER TO EACH SMALL
20 BUSINESS THAT IS ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION AND SHALL SEND A
21 WRITTEN NOTIFICATION TO EACH SMALL BUSINESS. THE WRITTEN NOTIFICATION SHALL
22 INDICATE THAT THE SMALL BUSINESS MAY BE ELIGIBLE FOR A CREDIT IF THE
23 REQUIREMENTS OF THIS SECTION ARE MET AND IF THE SMALL BUSINESS PROVIDES A
24 SIGNED AFFIRMATION WITH ITS RETURN THAT THE SMALL BUSINESS:

25 (a) EMPLOYS AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR EMPLOYEES WHO
26 ARE RESIDENTS OF THIS STATE.

27 (b) DOES NOT PAY ANY EMPLOYEE AN ANNUAL TOTAL GROSS COMPENSATION,
28 INCLUDING BONUSES AND COMMISSION, THAT EXCEEDS SEVENTY-FIVE THOUSAND DOLLARS.

29 (c) OFFERS TO PAY FOR AT LEAST FIFTY PER CENT OF THE HEALTH INSURANCE
30 PREMIUMS DURING THE TAXABLE YEAR FOR EVERY EMPLOYEE.

31 (d) WILL CONTINUE TO OFFER HEALTH INSURANCE TO ITS EMPLOYEES THROUGH
32 DECEMBER 31, 2012.

33 6. AT THE TIME OF FILING AND CLAIMING A CREDIT UNDER THIS SUBSECTION,
34 THE SMALL BUSINESS SHALL ATTACH TO THE TAX RETURN THE WRITTEN NOTIFICATION
35 RECEIVED FROM THE DEPARTMENT AND THE REQUIRED SIGNED AFFIRMATION. A CREDIT
36 IS NOT ALLOWED UNDER THIS SUBSECTION IF THE WRITTEN NOTIFICATION AND
37 AFFIRMATION ARE NOT ATTACHED TO THE TAX RETURN.

38 7. THE CREDIT UNDER THIS SUBSECTION IS AVAILABLE TO A SMALL BUSINESS
39 FOR TAX YEAR 2011.

40 8. THE CREDIT UNDER THIS SUBSECTION MAY BE CLAIMED BEFORE THE 2012
41 FILING DEADLINE THROUGH A QUARTERLY TAX FILING.

42 F. FOR TAXABLE YEARS BEGINNING FROM AND AFTER JUNE 30, 2011 THROUGH
43 JUNE 30, 2012, ANY SMALL BUSINESS THAT HAS CONTINUOUSLY PROVIDED HEALTH
44 INSURANCE TO ITS EMPLOYEES BEGINNING FOR ANY PERIOD OF TIME FROM AND AFTER

1 JUNE 30, 2011 THROUGH JUNE 30, 2012 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT
2 TO THE FOLLOWING:

3 1. ON OR BEFORE SEPTEMBER 1, 2012, HEALTH INSURANCE CARRIERS SHALL
4 ELECTRONICALLY SUBMIT TO THE DEPARTMENT THE FOLLOWING:

5 (a) A LIST OF GROUP POLICY AND GROUP CONTRACT HOLDERS OF EACH SMALL
6 BUSINESS THAT HAS A GROUP SIZE OF AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR.

7 (b) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
8 EACH SMALL BUSINESS LISTED PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH.

9 (c) THE GROUP NUMBER AND GROUP SIZE OF EACH SMALL BUSINESS LISTED
10 PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH.

11 (d) A TRACKING NUMBER FOR EACH SMALL BUSINESS LISTED PURSUANT TO
12 SUBDIVISION (a) OF THIS PARAGRAPH.

13 2. IF A HEALTH INSURANCE CARRIER CANNOT PROVIDE THE INFORMATION
14 REQUIRED UNDER PARAGRAPH 1 OF THIS SUBSECTION, A SMALL BUSINESS MAY SUBMIT A
15 LETTER TO THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2012 THAT INCLUDES THE
16 FOLLOWING:

17 (a) THE NAME, ADDRESS AND FEDERAL INCOME TAX IDENTIFICATION NUMBER OF
18 THE SMALL BUSINESS.

19 (b) THE NAME OF THE HEALTH INSURANCE CARRIER OF THE SMALL BUSINESS AND
20 THE APPLICABLE DEPARTMENT OF INSURANCE REGISTRATION NUMBER.

21 (c) THE POLICY NUMBER FOR THE SMALL BUSINESS.

22 (d) THE NUMBER OF EMPLOYEES THAT THE SMALL BUSINESS HAS CONTINUOUSLY
23 OFFERED HEALTH INSURANCE TO FOR ANY PERIOD OF TIME FROM AND AFTER JUNE 30,
24 2011 THROUGH JUNE 30, 2012. THE NUMBER OF EMPLOYEES THAT ARE OFFERED HEALTH
25 INSURANCE BY THE SMALL BUSINESS SHALL BE TWENTY-FOUR OR LESS OR THE SMALL
26 BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

27 3. IF THE INFORMATION THAT IS REQUIRED UNDER PARAGRAPH 1 OR 2 OF THIS
28 SUBSECTION IS NOT RECEIVED BY THE DEPARTMENT ON OR BEFORE SEPTEMBER 1, 2012,
29 THE SMALL BUSINESS IS NOT ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION.

30 4. THE DEPARTMENT SHALL NOT ALLOW TAX CREDITS UNDER THIS SUBSECTION
31 AND SECTION 43-1074.03, SUBSECTION F THAT EXCEED A COMBINED TOTAL OF ELEVEN
32 MILLION DOLLARS. USING THE INFORMATION RECEIVED UNDER PARAGRAPHS 1 AND 2 OF
33 THIS SUBSECTION, THE DEPARTMENT SHALL DETERMINE THE NUMBER OF SMALL
34 BUSINESSES THAT ARE ELIGIBLE FOR A TAX CREDIT UNDER THIS SUBSECTION AND SHALL
35 CALCULATE THE AMOUNT OF THE TAX CREDIT THAT IS AVAILABLE FOR EACH SMALL
36 BUSINESS. THE AMOUNT OF THE CREDIT SHALL NOT EXCEED ONE THOUSAND DOLLARS.

37 5. THE DEPARTMENT SHALL ASSIGN A CREDIT CLAIM NUMBER TO EACH SMALL
38 BUSINESS THAT IS ELIGIBLE FOR A CREDIT UNDER THIS SUBSECTION AND SHALL SEND A
39 WRITTEN NOTIFICATION TO EACH SMALL BUSINESS. THE WRITTEN NOTIFICATION SHALL
40 INDICATE THAT THE SMALL BUSINESS MAY BE ELIGIBLE FOR A CREDIT IF THE
41 REQUIREMENTS OF THIS SECTION ARE MET AND IF THE SMALL BUSINESS PROVIDES A
42 SIGNED AFFIRMATION WITH ITS RETURN THAT THE SMALL BUSINESS:

43 (a) EMPLOYS AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR EMPLOYEES WHO
44 ARE RESIDENTS OF THIS STATE.

- 1 (b) DOES NOT PAY ANY EMPLOYEE AN ANNUAL TOTAL GROSS COMPENSATION,
2 INCLUDING BONUSES AND COMMISSION, THAT EXCEEDS SEVENTY-FIVE THOUSAND DOLLARS.
- 3 (c) OFFERS TO PAY FOR AT LEAST FIFTY PER CENT OF THE HEALTH INSURANCE
4 PREMIUMS DURING THE TAXABLE YEAR FOR EVERY EMPLOYEE.
- 5 (d) WILL CONTINUE TO OFFER HEALTH INSURANCE TO ITS EMPLOYEES THROUGH
6 DECEMBER 31, 2013.
- 7 6. AT THE TIME OF FILING AND CLAIMING A CREDIT UNDER THIS SUBSECTION,
8 THE SMALL BUSINESS SHALL ATTACH TO THE TAX RETURN THE WRITTEN NOTIFICATION
9 RECEIVED FROM THE DEPARTMENT AND THE REQUIRED SIGNED AFFIRMATION. A CREDIT
10 IS NOT ALLOWED UNDER THIS SUBSECTION IF THE WRITTEN NOTIFICATION AND
11 AFFIRMATION ARE NOT ATTACHED TO THE TAX RETURN.
- 12 7. THE CREDIT UNDER THIS SUBSECTION IS AVAILABLE TO A SMALL BUSINESS
13 FOR TAX YEAR 2012.
- 14 8. THE CREDIT UNDER THIS SUBSECTION MAY BE CLAIMED BEFORE THE 2013
15 FILING DEADLINE THROUGH A QUARTERLY TAX FILING.
- 16 G. A TAXPAYER WHO CLAIMS A CREDIT UNDER THIS SECTION SHALL NOT CLAIM A
17 CREDIT UNDER THIS SECTION IN ANY SUBSEQUENT TAXABLE YEAR.
- 18 H. IF THE ALLOWABLE AMOUNT OF THE CREDIT UNDER THIS SECTION EXCEEDS
19 THE AMOUNT OF TAX DUE UNDER THIS TITLE, AFTER APPLYING ALL OTHER CREDITS TO
20 WHICH THE CLAIMANT MAY BE ENTITLED AND AFTER ANY SETOFF UNDER SECTION
21 42-1122, THE EXCESS SHALL BE PAID IN THE SAME MANNER AS A REFUND UNDER
22 SECTION 42-1118.
- 23 I. CO-OWNERS OF A BUSINESS, INCLUDING CORPORATE PARTNERS IN A
24 PARTNERSHIP, MAY EACH CLAIM ONLY THE PRO RATA SHARE OF THE CREDIT ALLOWED
25 UNDER THIS SECTION BASED ON THE OWNERSHIP INTEREST. THE TOTAL OF THE CREDITS
26 ALLOWED ALL SUCH OWNERS MAY NOT EXCEED THE AMOUNT THAT WOULD HAVE BEEN
27 ALLOWED A SOLE OWNER.
- 28 J. FOR THE PURPOSES OF THIS SECTION:
- 29 1. "EMPLOYEE" MEANS A FULL-TIME EQUIVALENT EMPLOYEE WHO WORKS A
30 REGULAR WORK WEEK OF AT LEAST TWENTY HOURS. EMPLOYEE DOES NOT INCLUDE
31 OWNERS, PARTNERS OR SHAREHOLDERS OF A SMALL BUSINESS.
- 32 2. "HEALTH INSURANCE" MEANS AN ACCOUNTABLE HEALTH PLAN AS DEFINED IN
33 SECTION 20-2301 OR A HEALTH BENEFIT PLAN AS DEFINED IN SECTION 36-2912.
- 34 3. "HEALTH INSURANCE CARRIER" MEANS AN ENTITY THAT PROVIDES HEALTH
35 INSURANCE.
- 36 4. "SMALL BUSINESS" MEANS AN EMPLOYER IN THIS STATE THAT:
- 37 (a) EMPLOYS AT LEAST TWO AND NOT MORE THAN TWENTY-FOUR EMPLOYEES WHO
38 ARE RESIDENTS OF THIS STATE.
- 39 (b) OFFERS TO PAY FOR AT LEAST FIFTY PER CENT OF THE HEALTH INSURANCE
40 PREMIUMS DURING THE TAXABLE YEAR FOR EVERY EMPLOYEE.
- 41 (c) DOES NOT PAY ANY EMPLOYEE AN ANNUAL TOTAL GROSS COMPENSATION,
42 INCLUDING BONUSES AND COMMISSION, THAT EXCEEDS SEVENTY-FIVE THOUSAND DOLLARS.
- 43 (d) HAS CONDUCTED THE SMALL BUSINESS FOR AT LEAST ONE YEAR.

1 Sec. 4. Purpose

2 Pursuant to section 43-223, Arizona Revised Statutes, the legislature
3 enacts sections 43-1074.03 and 43-1184, Arizona Revised Statutes, as added by
4 this act, to reduce the amount of state income taxes paid by small business
5 employers in this state who provide health insurance benefits to their
6 employees.

7 Sec. 5. Appropriations; tax credit administration; exemption

8 A. The sum of \$75,000 is appropriated from the state general fund in
9 fiscal year 2008-2009 to the department of revenue for the department's
10 administration of tax credits under sections 43-1074.03 and 43-1184, Arizona
11 Revised Statutes, as added by this act.

12 B. The sum of \$30,000 is appropriated from the state general fund in
13 each of fiscal years 2009-2010, 2010-2011, 2011-2012 and 2012-2013 to the
14 department of revenue for the department's administration of tax credits
15 under sections 43-1074.03 and 43-1184, Arizona Revised Statutes, as added by
16 this act.

17 C. The appropriations made in this section are exempt from the
18 provisions of section 35-190, Arizona Revised Statutes, relating to lapsing
19 of appropriations.

20 Sec. 6. Exemption from rule making; emergency rules; department
21 of revenue

22 The department of revenue is exempt from the rule making requirements
23 of title 41, chapter 6, Arizona Revised Statutes, and shall adopt emergency
24 rules pursuant to section 41-1026, Arizona Revised Statutes, to implement
25 sections 43-1074.03 and 43-1184, Arizona Revised Statutes, as added by this
26 act.

27 Sec. 7. Retroactivity

28 This act is effective and applies retroactively to taxable years
29 beginning from and after December 31, 2007.