

REFERENCE TITLE: tax credits; business health insurance

State of Arizona  
Senate  
Forty-eighth Legislature  
First Regular Session  
2007

# SB 1511

Introduced by  
Senators Burton Cahill: Arzberger, Hale

AN ACT

AMENDING SECTION 43-222, ARIZONA REVISED STATUTES; AMENDING TITLE 43, CHAPTER 10, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-1086; 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. Section 43-222, Arizona Revised Statutes, is amended to  
3 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 2006, sections 43-1073, 43-1089, 43-1089.01, 43-1089.02,  
8 43-1090, 43-1176 and 43-1181.

9 2. In 2007, sections 43-1077, 43-1078, 43-1079, 43-1080, 43-1165,  
10 43-1166, 43-1167 and 43-1169.

11 3. In 2008, sections 43-1074.01, 43-1081, 43-1168, 43-1170 and  
12 43-1178.

13 4. In 2009, sections 43-1076, 43-1081.01, 43-1084, 43-1162 and  
14 43-1170.01.

15 5. In 2010, sections 43-1075, 43-1079.01, 43-1087, 43-1088,  
16 43-1090.01, 43-1163, 43-1167.01, 43-1175 and 43-1182.

17 6. In 2011, sections 43-1074.02, 43-1083, 43-1085, ~~and~~ 43-1164 and  
18 43-1183.

19 7. IN 2012, SECTIONS 43-1086 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, 2006  
25 THROUGH JUNE 30, 2011, 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, 2006  
30 THROUGH JUNE 30, 2007, ANY SMALL BUSINESS THAT HAS CONTINUOUSLY PROVIDED  
31 HEALTH INSURANCE TO ITS EMPLOYEES FOR ANY PERIOD OF TIME BEFORE JULY 1, 2007  
32 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT TO THE FOLLOWING:

33 1. ON OR BEFORE SEPTEMBER 1, 2007, 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, 2007 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, 2007. 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, 2007,  
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, 2008.

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 2007.

44 C. FOR TAXABLE YEARS BEGINNING FROM AND AFTER JUNE 30, 2007 THROUGH  
45 JUNE 30, 2008, 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, 2007 THROUGH JUNE 30, 2008 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT  
3 TO THE FOLLOWING:

4 1. ON OR BEFORE SEPTEMBER 1, 2008, 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, 2008 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 2007 THROUGH JUNE 30, 2008. 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, 2008,  
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, 2009.  
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 2008.  
14 8. THE CREDIT UNDER THIS SUBSECTION MAY BE CLAIMED BEFORE THE 2009  
15 FILING DEADLINE THROUGH A QUARTERLY TAX FILING.  
16 D. FOR TAXABLE YEARS BEGINNING FROM AND AFTER JUNE 30, 2008 THROUGH  
17 JUNE 30, 2009, 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, 2008 THROUGH JUNE 30, 2009 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT  
20 TO THE FOLLOWING:  
21 1. ON OR BEFORE SEPTEMBER 1, 2009, 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, 2009 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 2008 THROUGH JUNE 30, 2009. 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, 2009, 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, 2010.

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 2009.

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

34           E. FOR TAXABLE YEARS BEGINNING FROM AND AFTER JUNE 30, 2009 THROUGH  
35 JUNE 30, 2010, 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, 2009 THROUGH JUNE 30, 2010 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT  
38 TO THE FOLLOWING:

39           1. ON OR BEFORE SEPTEMBER 1, 2010, 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, 2010 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 2009 THROUGH JUNE 30, 2010. 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, 2010,  
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, 2011.

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 2010.

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

7 F. FOR TAXABLE YEARS BEGINNING FROM AND AFTER JUNE 30, 2010 THROUGH  
8 JUNE 30, 2011, 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, 2010 THROUGH JUNE 30, 2011 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT  
11 TO THE FOLLOWING:

12 1. ON OR BEFORE SEPTEMBER 1, 2011, 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, 2011 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 2010 THROUGH JUNE 30, 2011. 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, 2011,  
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, 2012.

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 2011.

22           8. THE CREDIT UNDER THIS SUBSECTION MAY BE CLAIMED BEFORE THE 2012  
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           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, 2007,  
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 43-1086, SUBSECTION B THAT EXCEED A COMBINED TOTAL OF TWENTY-FOUR  
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, 2008.

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 2007.

32           C. FOR TAXABLE YEARS BEGINNING FROM AND AFTER JUNE 30, 2007 THROUGH  
33 JUNE 30, 2008, 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, 2007 THROUGH JUNE 30, 2008 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT  
36 TO THE FOLLOWING:

37           1. ON OR BEFORE SEPTEMBER 1, 2008, 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, 2008 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 2007 THROUGH JUNE 30, 2008. 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, 2008,  
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 43-1086, 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, 2009.

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 2008.

3           8. THE CREDIT UNDER THIS SUBSECTION MAY BE CLAIMED BEFORE THE 2009  
4 FILING DEADLINE THROUGH A QUARTERLY TAX FILING.

5           D. FOR TAXABLE YEARS BEGINNING FROM AND AFTER JUNE 30, 2008 THROUGH  
6 JUNE 30, 2009, 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, 2008 THROUGH JUNE 30, 2009 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT  
9 TO THE FOLLOWING:

10           1. ON OR BEFORE SEPTEMBER 1, 2009, 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, 2009 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 2008 THROUGH JUNE 30, 2009. 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, 2009,  
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 43-1086, 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, 2010.

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 2009.

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

24           E. FOR TAXABLE YEARS BEGINNING FROM AND AFTER JUNE 30, 2009 THROUGH  
25 JUNE 30, 2010, 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, 2009 THROUGH JUNE 30, 2010 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT  
28 TO THE FOLLOWING:

29           1. ON OR BEFORE SEPTEMBER 1, 2010, 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, 2010 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 2009 THROUGH JUNE 30, 2010. 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, 2010,  
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 43-1086, 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, 2011.

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 2010.

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

42 F. FOR TAXABLE YEARS BEGINNING FROM AND AFTER JUNE 30, 2010 THROUGH  
43 JUNE 30, 2011, 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, 2010 THROUGH JUNE 30, 2011 MAY BE ELIGIBLE FOR A TAX CREDIT SUBJECT  
2 TO THE FOLLOWING:

3 1. ON OR BEFORE SEPTEMBER 1, 2011, 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, 2011 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 2010 THROUGH JUNE 30, 2011. 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, 2011,  
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 43-1086, 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, 2012.
- 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 2011.
- 14 8. THE CREDIT UNDER THIS SUBSECTION MAY BE CLAIMED BEFORE THE 2012  
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.

