

FIRST REGULAR SESSION

# HOUSE BILL NO. 201

## 91ST GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE SHIELDS.

Pre-filed December 20, 2000, and 1000 copies ordered printed.

ANNE C. WALKER, Chief Clerk

0820L.011

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### AN ACT

To amend chapter 135, RSMo, relating to health insurance for the working poor, and to enact in lieu thereof one new section relating to the same subject.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be  
2 known as section 135.920, to read as follows:

**135.920. 1. As used in this section, the following terms mean:**

2       **(1) "Eligible employee", an employee who works on a full-time basis and has an**  
3 **average work week of thirty or more hours. The term includes a sole proprietor, a partner**  
4 **of a partnership, and an independent contractor, if the sole proprietor, partner or**  
5 **independent contractor is included as an employee under a health benefit plan of a small**  
6 **employer, but does not include an employee who works on a part-time, temporary or**  
7 **substitute basis. For purposes of this section, a person, such person's spouse and such**  
8 **person's minor children shall constitute only one eligible employee when they are employed**  
9 **by the same small employer; except that, in the case of a person who is a farmer, such**  
10 **person may constitute an eligible employee and such person's spouse, if hired by such**  
11 **person, may constitute a second eligible employee;**

12       **(2) "Eligible small employer", any person, firm, corporation, partnership or**  
13 **association that is actively engaged in business that, on at least fifty percent of its working**  
14 **days during the preceding calendar quarter, employed not less than two nor more than**  
15 **twenty-five eligible employees, the majority of whom were employed within this state. In**  
16 **determining the number of eligible employees, companies that are affiliated companies, or**  
17 **that are eligible to file a combined tax return for purposes of state taxation, shall be**  
18 **considered one employer;**

19           (3) "Farmer", any person who derives at least two-thirds of such person's income  
20 from using or cultivating land for the production of agricultural crops, livestock or  
21 livestock products, poultry or poultry products, milk or dairy products, or fruit or other  
22 horticultural products; provided that, the term shall not include a person who processes  
23 farm products or distributes farming supplies by contracting to provide spraying,  
24 harvesting or other farming services; and

25           (4) "Private health insurance purchasing cooperative", a private cooperative  
26 association formed for the purpose of purchasing and providing health care insurance for  
27 its members' employees, the members of which consist of any combination of private  
28 persons, firms, corporations, partnerships, associations or other entities at least fifty  
29 percent of which are eligible small employers.

30           2. There is hereby established the "Small Business Health Insurance Assistance  
31 Program" for the purpose of encouraging qualifying small businesses to establish or  
32 maintain a qualified health insurance program available to eligible employees. The  
33 director of the department of revenue shall administer a tax credit program within this  
34 state pursuant to the provisions of this act. Tax credits shall be granted pursuant to the  
35 provisions of this act up to an aggregate of ten million dollars.

36           3. The tax credit allowed by this section is subject to appropriation from general  
37 revenue or may be appropriated by action of the general assembly from moneys received  
38 by the state pursuant to the master settlement agreement entered into on November 23,  
39 1998, by the state and leading United States tobacco product manufacturers, and deposited  
40 by the state treasurer to the credit of the tobacco settlement trust fund.

41           4. For tax years beginning on or after January 1, 2001, an eligible small employer  
42 which does not, as of January 1, 2001, pay its employees' health insurance premiums and  
43 which first begins to pay health insurance premiums on behalf of such employer's eligible  
44 employees during such tax year or thereafter shall be allowed to claim a credit against the  
45 tax otherwise due pursuant to chapter 143, RSMo, excluding sections 143.191 to 143.265,  
46 RSMo, and related provisions, for health insurance premiums paid on behalf of such  
47 employer's eligible employees in an amount as follows:

48           (1) Fifty percent of the amount paid annually in premiums for the first two years  
49 the eligible small employer pays health insurance premiums on behalf of such employer's  
50 eligible employees;

51           (2) Thirty-five percent of the amount paid annually in premiums for the third and  
52 fourth years the eligible small employer pays health insurance premiums on behalf of such  
53 employer's eligible employees; and

54           **(3) Twenty-five percent of the amount paid annually in premiums for each year**  
55 **subsequent to the fourth year the eligible small employer pays health insurance premiums**  
56 **on behalf of such employer's eligible employees.**

57           **5. For tax years beginning on or after January 1, 2001, an eligible small employer**  
58 **which does not qualify for a tax credit pursuant to subsection 4 of this section because such**  
59 **employer, as of January 1, 2001, was already paying its employees' health insurance**  
60 **premiums, shall be allowed to claim a credit against the tax otherwise due pursuant to**  
61 **chapter 143, RSMo, excluding sections 143.191 to 143.265, RSMo, and related provisions,**  
62 **in an amount equal to twenty-five percent of the amount paid annually in premiums per**  
63 **eligible employee for whom such small employers pays health insurance premiums, if such**  
64 **employer can document a minimum of twenty percent increase in premium costs per**  
65 **eligible employee for comparable health care benefits.**

66           **6. The department of revenue is authorized to promulgate any rules necessary to**  
67 **administer the tax credit allowed by this section. No rule or portion of a rule promulgated**  
68 **pursuant to the authority of this section shall become effective unless it is promulgated**  
69 **pursuant to the provisions of chapter 536, RSMo.**

70           **7. The provisions of this section shall expire on December 31, 2005, unless extended**  
71 **by an action of the general assembly.**