**South Carolina General Assembly**

118th Session, 2009-2010

**H. 3210**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. Gunn

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Introduced in the House on January 13, 2009

Currently residing in the House Committee on **Ways and Means**

Summary: Income tax credit

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

12/16/2008 House Prefiled

12/16/2008 House Referred to Committee on **Ways and Means**

1/13/2009 House Introduced and read first time [HJ](file:///h:\HJ%20Archive\2009\01-13-09.docx)‑94

1/13/2009 House Referred to Committee on **Ways and Means** [HJ](file:///h:\HJ%20Archive\2009\01-13-09.docx)‑94

**VERSIONS OF THIS BILL**

[12/16/2008](file:///p:\pprever\2009-10\3210_20081216.docx)

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑6‑3435 SO AS TO ALLOW A STATE INCOME TAX CREDIT FOR PREMIUMS PAID BY A SMALL EMPLOYER TO PROVIDE ELIGIBLE EMPLOYEES COVERAGE UNDER A QUALIFYING HEALTH PLAN, TO LIMIT THE CREDIT TO ONE THOUSAND DOLLARS AN EMPLOYEE FOR EACH OF SIX CONSECUTIVE TAXABLE YEARS AND ALLOW THE CREDIT ONLY FOR BUSINESSES EMPLOYING NO MORE THAN FIFTY EMPLOYEES, AND TO PROVIDE DEFINITIONS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3435. (A) As used in this section:

(1) Qualifying health plan’ means any health insurance policy or health benefit plan offered as part of a health insurance policy or plan offered by a small employer to eligible employees that provides health insurance coverage, as defined in Section 38‑71‑670(6) and has a minimum actuarial value of three thousand dollars adjusted for age and gender, which is the computed value of the coverage, and for which the employer pays not less than eighty‑five percent of the premium for an eligible employee.

(2) ‘Small employer’ means, in connection with a health insurance plan with respect to a calendar year and a plan year, any person, firm, corporation, partnership, association, or employer, as defined in Section 3(5) of the Employee Retirement Income Security Act of 1974, that is actively engaged in business that, on at least fifty percent of its working days during the preceding calendar year, employed no more than fifty eligible employees or employed an average of not more than fifty employees on business days during the preceding calendar year, and who employs at least two employees on the first day of the plan year.

(B) A small employer taxpayer is allowed a credit against the tax imposed pursuant to Section 12‑6‑510 or 12‑6‑530, as applicable, in an amount equal to the health insurance premium paid for each eligible employee for a qualifying health plan, not to exceed one thousand dollars an employee for each employee covered. The credit for each employee applies for six consecutive taxable years, but no credit is allowed if the plan is not a qualifying health plan during any taxable year the credit applies. The credit continues to apply subject to the fifty employee maximum if payroll grows to more than fifty eligible employees during the credit period. Unused credit may be carried forward for ten succeeding taxable years.”

SECTION 2. Upon approval by the Governor, this act applies for taxable years beginning after 2008.

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