

HOUSE BILL NO. 2213

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BARNES.

6415H.03I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to health care coverage.

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

Section A. Chapter 143, RSMo, is amended by adding thereto one new section, to be known as section 143.013, to read as follows:

143.013. 1. As used in this section, the following terms shall mean:

(1) **“Average payroll”**, the amount of taxable wages of full-time employees of the business divided by the total number of full-time employees;

(2) **“Business income”**, income greater than zero arising from transactions and activity in the regular course of the taxpayer's trade or business and includes income from tangible property if the acquisition, management, and disposition of the property constitute integral parts of the individual taxpayer's regular trade or business operations. **“Business income”** shall not include **“compensation”** as such term is defined under subsection 1 of article IV of section 32.200;

(3) **“County average wage”**, the same meaning ascribed to it as in section 620.1878;

(4) **“Full-time employee”**, an employee of the qualified company who is scheduled to work an average of at least thirty-five hours per week for a twelve-month period and one for whom the qualified company offers health insurance and pays at least fifty percent of such insurance premiums;

(5) **“Individual taxpayer”**, the owner or owners of a qualified company doing business in the state of Missouri and subject to the state income tax imposed under chapter 143 excluding withholding tax under sections 143.191 to 143.265;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 18 **(6) “Qualified company”, a Missouri business that meets the following:**
19 **(a) The average payroll for the tax year of the business that is the source of such**
20 **business income exceeds one hundred fifty percent of the county average wage in the**
21 **county in which the business is located;**
22 **(b) The business employs at least two persons; and**
23 **(c) The business provides health insurance coverage to its employees.**
24 **2. For all tax years beginning on or after January 1, 2014, in addition to all other**
25 **modifications allowed by law, there shall be subtracted from the federal adjusted gross**
26 **income of an individual taxpayer one-third of business income to the extent included in**
27 **federal adjusted gross income when determining the individual taxpayer’s Missouri**
28 **adjusted gross income to encourage employers to provide health insurance coverage for all**
29 **full-time employees.**
30 **3. In the case of a small corporation described in section 143.471 or a partnership**
31 **computing the deduction allowed under subsection 2 of this section, individual taxpayers**
32 **described in subdivisions (1), (2), or (3) of this subsection shall be allowed such deduction**
33 **apportioned in proportion to their share of ownership of the qualified company on the last**
34 **day of the individual taxpayer’s tax period for which such deduction is being claimed when**
35 **determining the Missouri adjusted gross income of:**
36 **(1) The shareholders of a small corporation as described in section 143.471;**
37 **(2) The partners in a partnership; and**
38 **(3) The members in a limited liability company.**

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