

By: Representative Lamar

To: Ways and Means

## HOUSE BILL NO. 1667

1 AN ACT TO AUTHORIZE AN INCOME TAX CREDIT TO QUALIFIED  
2 EMPLOYERS THAT OFFER AN INDIVIDUAL COVERAGE HEALTH REIMBURSEMENT  
3 ARRANGEMENT; TO PROVIDE THE AMOUNT OF THE TAX CREDIT; TO PROVIDE  
4 THE REPORTING REQUIREMENTS WITH THE DEPARTMENT OF REVENUE THAT THE  
5 QUALIFIED EMPLOYER SHALL COMPLY WITH; TO PROVIDE THE LIMIT ON THE  
6 TAX CREDIT FOR EACH FISCAL YEAR; AND FOR RELATED PURPOSES.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8 **SECTION 1.** (1) For purposes of this section, the following  
9 words and phrases shall have the meanings as provided in this  
10 section unless the context clearly indicates otherwise:

11 (a) "Qualified employer" means an employer that:

12 (i) Has fewer than fifty (50) employees;

13 (ii) Is subject to state tax liability under  
14 Chapter 7, Title 27, Mississippi Code of 1972;

15 (iii) Offers an Individual Coverage Health  
16 Reimbursement Arrangement (ICHRA) as described in Section 9831(d)  
17 of the Internal Revenue Code in lieu of a traditional  
18 employer-provided health insurance plan.

19 (b) "State tax liability" means the total tax liability  
20 incurred under Chapter 7, Title 27, Mississippi Code of 1972.



21 (c) "Covered employee" means an employee for whom the  
22 qualified employer provides a contribution to an ICHRA.

23 (2) (a) For the first taxable year in which a qualified  
24 employer offers an ICHRA:

25 (i) The employer may claim a tax credit of up to  
26 Four Hundred Dollars (\$400.00) per covered employee if the  
27 employer's contribution to the ICHRA equals or exceeds either:

28 1. The level of benefits provided in the  
29 prior benefit year; or

30 2. The amount contributed per covered  
31 individual to the employer's previous health insurance plan during  
32 the prior benefit year.

33 (b) For the second taxable year in which a qualified  
34 employer continues to offer an ICHRA, the employer may claim a tax  
35 credit of up to Two Hundred Dollars (\$200.00) per covered  
36 employee.

37 (3) A qualified employer that claims a credit under this act  
38 must report to the Department of Revenue every three (3) years  
39 after claiming the credit. The report shall include:

40 (a) Whether the employer continued to offer the ICHRA  
41 or reverted to a traditional employer-sponsored plan; and

42 (b) Details regarding the level of benefits provided  
43 under the ICHRA.



44 (4) (a) The total amount of tax credits approved under this  
45 section shall not exceed Ten Million Dollars (\$10,000,000.00) in  
46 any fiscal year.

47 (b) The Department of Revenue shall approve claims in  
48 the chronological order of filing until the limit on the amount of  
49 credits that may be approved in a fiscal year is reached.

50 (c) A tax credit under this section may not exceed the  
51 employer's state tax liability for the taxable year. Excess  
52 credits may be carried forward for ten (10) years from the close  
53 of the taxable year in which the credits were earned.

54 (5) (a) A qualified employer must claim the credit on their  
55 annual state tax return in the manner prescribed by the Department  
56 of Revenue.

57 (b) The employer shall provide all necessary  
58 documentation to verify eligibility for the credit.

59 (6) The Department of Revenue shall adopt rules necessary to  
60 implement and administer this act.

61 **SECTION 2.** Section 1 of this act shall be codified as a new  
62 section in Chapter 7, Title 27, Mississippi Code of 1972.

63 **SECTION 3.** This act shall take effect and be in force from  
64 and after January 1, 2026.

