

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.

