

2014 -- H 7320

=====
LC003570
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

A N A C T

RELATING TO TAXATION -- THE SMALL BUSINESS WELLNESS PROGRAM TAX
CREDIT

Introduced By: Representatives Ackerman, Serpa, Shekarchi, Hearn, and Keable

Date Introduced: February 06, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 69

4 THE SMALL EMPLOYER WELLNESS PROGRAM TAX CREDIT

5 **44-69-1. Purpose. --** It is the intent of the general assembly that the promotion of
6 wellness programs at a place of employment, which can impact the overall health of employees,
7 the amount of health expenditures generated by employees and the economic success of a
8 business or employer, be supported and encouraged through the tax credit created by this chapter.

9 **44-69-2. Tax credit. --** There is hereby established a small employer wellness program
10 tax credit, beginning January 1, 2016. The total of all tax credits available to a taxpayer pursuant
11 to this section shall not exceed ten thousand dollars (\$10,000) in any tax year. A small employer,
12 as defined by § 27-50-3(kk), that implements a wellness program shall be allowed a credit, to be
13 computed as hereinafter provided, against the tax imposed by chapters 11 and 13 of this title.

14 (1) The credit allowed under this chapter shall be equal to twenty-five percent (25%) of
15 the costs associated with implementing the program, with a maximum credit of ten thousand
16 dollars (\$10,000) per business in any tax year. The department of health, in consultation with the
17 health insurance commissioner, shall determine the criteria for eligibility for the credit, such
18 criteria to be set forth in regulations promulgated under this section. The regulations shall require

1 proof of using a wellness program qualified pursuant to § 44-68-3 of this chapter. The department
2 shall issue a certification to the taxpayer after the taxpayer submits documentation as required by
3 the department. The certification shall be acceptable as proof that the expenditures related to the
4 implementation of a wellness program for the purposes of the credit allowed under this section.

5 (2) The credit allowed in this chapter for any taxable year shall not reduce the excise tax
6 to less than the amount due under chapters 11 and 13 of this title.

7 (3) Wellness program tax credits allowed to a business under this section shall be allowed
8 for the taxable year in which the program is implemented. A taxpayer allowed a credit under this
9 section for a taxable year may carry over and apply against the taxpayer's tax liability in any of
10 the succeeding five (5) taxable years, the portion, as reduced from year to year, of those credits
11 which exceed the tax for the taxable year.

12 **44-69-3. Wellness program certification.** -- The department of health, in consultation
13 with the health insurance commissioner, shall provide a seal of approval to wellness programs
14 implemented by small employers. In developing criteria for a wellness seal of approval, the
15 department shall consider:

16 (1) Whether the program provides new or innovative services;

17 (2) The participation rate by employees;

18 (3) The quality of the health education being provided;

19 (4) Whether the program promotes health screenings and other preventive health care
20 measures; and

21 (5) Whether the program promotes a healthy workplace environment.

22 SECTION 2. This act shall take effect upon passage.

=====
LC003570
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO TAXATION -- THE SMALL BUSINESS WELLNESS PROGRAM TAX
CREDIT

- 1 This act would create a tax credit program for small employers that implement a wellness
- 2 program for employees, subject to standards set by the department of health.
- 3 This act would take effect upon passage.

=====
LC003570
=====