

15101199D

**HOUSE BILL NO. 1555**

Offered January 14, 2015

Prefiled January 7, 2015

A *BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:11, relating to an income tax credit for providers of Medicaid waiver services.*

---

Patron—Head

---

Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:11 as follows:**

**§ 58.1-439.12:11. Tax credit for providers of Medicaid waiver services.**

A. For taxable years beginning on and after January 1, 2016, but prior to January 1, 2021, any business providing services under a Medicaid waiver shall be allowed a credit against the tax imposed by § 58.1-320 or 58.1-400 equal to the percentage of the business's gross earned revenues during the taxable year attributable to services provided under a Medicaid waiver multiplied by the difference of (i) the health insurance premiums paid or incurred by the business in the taxable year for its full-time direct care employees providing services under a Medicaid waiver and (ii) the health insurance premiums paid or incurred by the business in taxable year 2014 for its full-time direct care employees providing services under a Medicaid waiver.

B. No credit shall be allowed unless the business provides the same health insurance coverage to all or substantially all of its full-time direct care employees.

C. The amount of the credit claimed shall not exceed the total amount of tax imposed by this chapter upon the business for the taxable year. Any credit not usable for the taxable year for which the credit was first allowed may be carried over for credit against the income taxes of the business in the next five succeeding taxable years or until the total amount of the tax credit has been taken, whichever is sooner.

D. Credits granted to a partnership, limited liability company, or electing small business corporation (S corporation) shall be allocated to the individual partners, members, or shareholders, respectively, in proportion to their ownership or interest in such business entities.

E. The Tax Commissioner shall develop and publish guidelines implementing the provisions of this section. The guidelines shall include a description of any evidence of the payment of health insurance premiums that the business shall be required to attach to the income tax return when claiming the credit. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

INTRODUCED

HB1555