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H.B. 133
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Craig

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SUMMARY

- Authorizes a nonrefundable income tax credit for a small employer that offers an individual coverage health reimbursement arrangement to its employees.

DETAILED ANALYSIS

Income tax credit for health reimbursement arrangements

The bill authorizes a nonrefundable income tax credit for certain small employers that offer to their employees an individual coverage health reimbursement arrangement.

An individual coverage health reimbursement arrangement is an employer provided plan that provides employees with a fixed amount that can be used to pay for medical care expenses rather than providing a traditional health care plan. Expenses that are eligible for reimbursement include health insurance premiums, co-payments, or other out-of-pocket costs.¹ Under the bill, a qualifying taxpayer is an employer of between two and 50 employees that provides an individual coverage health reimbursement arrangement to some or all of those employees, contributing at least \$400 annually to the arrangement per employee.

The amount of the credit is calculated by multiplying the number of benefitted employees by \$400. The Tax Commissioner may require an employer to provide information necessary to support a claim for the credit. An owner of a pass-through entity that is an employer qualifying for the credit may claim the owner's proportionate share of the credit.² Qualifying employers

¹ 45 Code of Federal Regulations 146.123.

² R.C. 5747.87 and 5747.98.

may claim the credit starting in the first taxable year that ends on or after the bill’s 90-day effective date.³

HISTORY

Action	Date
Introduced	02-24-25

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³ Section 3.