



Sen. Chris Balkema

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10400SB3619sam001

LRB104 20287 HLH 36434 a

1 AMENDMENT TO SENATE BILL 3619

2 AMENDMENT NO. _____. Amend Senate Bill 3619 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Income Tax Act is amended by
5 adding Section 246 as follows:

6 (35 ILCS 5/246 new)

7 Sec. 246. Health reimbursement arrangement tax credit.

8 (a) For taxable years beginning on or after January 1,
9 2027, a qualified taxpayer that makes a qualified contribution
10 toward a health reimbursement arrangement, as described in
11 Section 9831(d) of the Internal Revenue Code, for the
12 qualified taxpayer's employees may claim a credit against the
13 tax imposed by subsections (a) and (b) of Section 201 if (i)
14 the amount provided by the taxpayer toward the health
15 reimbursement arrangement is equal to or greater than the
16 level of benefits provided in the previous benefit year, (ii)

1 the amount the taxpayer contributes toward the health
2 reimbursement arrangement equals the same amount contributed
3 per covered individual toward the employer-provided health
4 insurance plan during the previous benefit year, or (iii) in
5 the case of a qualified taxpayer that did not provide
6 employer-sponsored health insurance benefits to its employees
7 during the previous benefit year, including new businesses,
8 the taxpayer makes a qualified contribution toward a health
9 reimbursement arrangement for each covered employee in an
10 amount equal to at least 50% of the federal Qualified Small
11 Employer Health Reimbursement Arrangement (QSEHRA) maximum
12 applicable for that year under Section 9831(d)(2) of the
13 Internal Revenue Code. Contributions shall be determined
14 separately for single coverage and family coverage employees
15 based on the corresponding Internal Revenue Service QSEHRA
16 maximums. The amount of the credit is \$400 per covered
17 employee in the first taxable year and \$200 per covered
18 employee in the second taxable year.

19 (b) The credit may not reduce the taxpayer's liability to
20 less than zero. If the amount of the credit exceeds the tax
21 liability for the year, the excess may be carried forward and
22 applied to the tax liability of the 5 taxable years following
23 the excess credit year. The credit shall be applied to the
24 earliest year for which there is a tax liability. If there are
25 credits from more than one tax year that are available to
26 offset a liability, the earlier credit shall be applied first.

1 (c) As used in this Section:

2 "Qualified taxpayer" means an employer that is a
3 corporation, a limited liability company, a partnership, or
4 another entity that:

5 (1) has any State tax liability; and

6 (2) has fewer than 50 employees.

7 Section 99. Effective date. This Act takes effect upon
8 becoming law."