

H.879

An act relating to the Health Care Fund contribution assessment and the taxation of e-cigarettes

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 21 V.S.A. § 2003 is amended to read:

§ 2003. HEALTH CARE FUND CONTRIBUTION ASSESSMENT

(a) The Commissioner of Labor shall assess and an employer shall pay a quarterly Health Care Fund contribution for each full-time equivalent uncovered employee employed during ~~that~~ the preceding quarter ~~in excess of:~~

~~(1) eight full-time equivalent employees in fiscal years 2007 and 2008;~~

~~(2) six full-time equivalent employees in fiscal year 2009; and~~

~~(3) four full-time equivalent employees in fiscal years 2010 and~~

~~thereafter.~~

(b) ~~For the third and fourth quarters of calendar year 2014, the amount of the Health Care Fund contribution shall be \$133.30 for each full-time equivalent employee in excess of four. For each calendar year after calendar year 2014, the amount of the Health Care Fund contribution shall be adjusted by a percentage equal to any percentage change in premiums for the second lowest cost silver level plan in the Vermont Health Benefit Exchange.~~

(1) For payments due in calendar year 2016, the amount of the quarterly Health Care Fund contribution shall be calculated as follows:

(A) for employers with at least one but no more than 19 full-time equivalent uncovered employees, the amount of the Health Care Fund contribution shall be \$151.12 for each full-time equivalent uncovered employee in excess of four;

(B) for employers with at least 20 but no more than 99 full-time equivalent uncovered employees, the amount of the Health Care Fund contribution shall be \$200.00 for each full-time equivalent uncovered employee; and

(C) for employers with 100 or more full-time equivalent uncovered employees, the amount of the Health Care Fund contribution shall be \$244.00 for each uncovered full-time equivalent employee.

(2) For payments based on the number of full-time equivalent uncovered employees in each calendar year after calendar year 2016, the quarterly Health Care Fund contribution amounts described in subdivision (1) of this subsection shall be adjusted by a percentage equal to any percentage change in premiums for the second lowest cost silver-level plan in the Vermont Health Benefit Exchange.

\* \* \*

Sec. 2. 32 V.S.A. § 7702(15) is amended to read:

(15) “Other tobacco products” means any product manufactured from, derived from, or containing tobacco that is intended for human consumption by

smoking, chewing, or in any other manner, including products sold as a tobacco substitute, as defined in 7 V.S.A. § 1001(8), and including any liquids, whether nicotine based or not, or delivery devices sold separately for use with a tobacco substitute; but shall not include cigarettes, little cigars, roll-your-own tobacco, snuff, or new smokeless tobacco as defined in this section.

Sec. 3. EFFECTIVE DATES

(a) This section and Sec. 2 (e-cigarettes) shall take effect on July 1, 2016.

(b) Sec. 1 (health care contribution) shall take effect on July 1, 2016 and shall apply beginning with payments due in the third quarter of calendar year 2016.