

SEC. 9014. LIMITATION ON EXCESSIVE REMUNERATION PAID BY CERTAIN HEALTH INSURANCE PROVIDERS.

(a) IN GENERAL.—Section 162(m) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(6) SPECIAL RULE FOR APPLICATION TO CERTAIN HEALTH INSURANCE PROVIDERS.—

“(A) IN GENERAL.—No deduction shall be allowed under this chapter—

“(i) in the case of applicable individual remuneration which is for any disqualified taxable year beginning after December 31, 2012, and which is attributable to services performed by an applicable individual during such taxable year, to the extent that the amount of such remuneration exceeds \$500,000, or

“(ii) in the case of deferred deduction remuneration for any taxable year beginning after December 31, 2012, which is attributable to services performed by an applicable individual during any disqualified taxable year beginning after December 31, 2009, to the extent that the amount of such remuneration exceeds \$500,000 reduced (but not below zero) by the sum of—

“(I) the applicable individual remuneration for such disqualified taxable year, plus

June 9, 2010

“(II) the portion of the deferred deduction remuneration for such services which was taken into account under this clause in a preceding taxable year (or which would have been taken into account under this clause in a preceding taxable year if this clause were applied by substituting ‘December 31, 2009’ for ‘December 31, 2012’ in the matter preceding subclause (I)).

“(B) DISQUALIFIED TAXABLE YEAR.—For purposes of this paragraph, the term ‘disqualified taxable year’ means, with respect to any employer, any taxable year for which such employer is a covered health insurance provider.

“(C) COVERED HEALTH INSURANCE PROVIDER.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘covered health insurance provider’ means—

“(I) with respect to taxable years beginning after December 31, 2009, and before January 1, 2013, any employer which is a health insurance issuer (as defined in section 9832(b)(2)) and which receives premiums from providing health insurance coverage (as defined in section 9832(b)(1)), and

“(II) with respect to taxable years beginning after December 31, 2012, any employer which is a health insurance issuer (as defined in section 9832(b)(2)) and with respect to which not less than 25 percent of the gross premiums received from providing health insurance coverage (as defined in section 9832(b)(1)) is from minimum essential coverage (as defined in section 5000A(f)).

“(ii) AGGREGATION RULES.—Two or more persons who are treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as a single employer, except that in applying section 1563(a) for purposes of any such subsection, paragraphs (2) and (3) thereof shall be disregarded.

“(D) APPLICABLE INDIVIDUAL REMUNERATION.—For purposes of this paragraph, the term ‘applicable individual remuneration’ means, with respect to any applicable individual for any disqualified taxable year, the aggregate amount allowable as a deduction under this chapter for such taxable year (determined without regard to this subsection) for remuneration (as defined in paragraph (4) without regard to subparagraphs (B), (C), and (D) thereof) for services performed by such individual (whether or not during the taxable year). Such term shall not include any deferred deduction remuneration with respect to services performed during the disqualified taxable year.

“(E) DEFERRED DEDUCTION REMUNERATION.—For purposes of this paragraph, the term ‘deferred deduction remuneration’ means remuneration which would be applicable individual remuneration for services performed in a disqualified taxable year but for the fact that the deduc-

tion under this chapter (determined without regard to this paragraph) for such remuneration is allowable in a subsequent taxable year.

“(F) APPLICABLE INDIVIDUAL.—For purposes of this paragraph, the term ‘applicable individual’ means, with respect to any covered health insurance provider for any disqualified taxable year, any individual—

“(i) who is an officer, director, or employee in such taxable year, or

“(ii) who provides services for or on behalf of such covered health insurance provider during such taxable year.

“(G) COORDINATION.—Rules similar to the rules of subparagraphs (F) and (G) of paragraph (4) shall apply for purposes of this paragraph.

“(H) REGULATORY AUTHORITY.—The Secretary may prescribe such guidance, rules, or regulations as are necessary to carry out the purposes of this paragraph.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2009, with respect to services performed after such date.