

1 HB61
2 126254-2
3 By Representatives Weaver, Collins, Baker, Patterson,
4 Canfield, Rich, Nordgren, Buttram, Merrill, Treadaway, Clouse,
5 Wallace, Johnson (R), Roberts, Henry, Bridges, Gaston, Johnson
6 (K), Chesteen, Sanderford, Williams (D), McClendon, Wren,
7 Williams (J), Hubbard (M), Williams (P), Baughn, Moore (B),
8 Long and Lee
9 RFD: Commerce and Small Business
10 First Read: 01-MAR-11
11 PFD: 02/25/2011

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ENROLLED, An Act,

Amending Section 40-18-15.3 of the Code of Alabama 1975, to allow, in addition to any other Alabama income tax deduction that a qualifying employee may be entitled to with respect to the payment of health insurance premiums, qualifying employees to deduct from Alabama gross income 100 percent of the amounts they pay as health insurance premiums as part of an employer provided health insurance plan provided by a qualifying employer; and to provide, in addition to any other Alabama income tax deduction that a qualifying employer may be entitled to with respect to the payment of health insurance premiums paid on behalf of qualifying employees, that a qualifying employer is allowed as a deduction in the computation of Alabama taxable income 100 percent of the amounts the employer pays as health insurance premiums on behalf of qualifying employees in connection with an employer provided health insurance plan.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-18-15.3 of the Code of Alabama 1975, is amended to read as follows:

"§40-18-15.3.

"(a) As used in this section, the following terms shall have the following meanings:

1 "(1) QUALIFYING EMPLOYEES. Alabama resident
2 employees who are employed by qualifying employers, earn no
3 more than \$50,000 of wages in the applicable tax year, and
4 report no more than \$75,000 of adjusted gross income on their
5 Alabama individual income tax return (\$150,000 if married
6 filing jointly) for the applicable year.

7 "(2) QUALIFYING EMPLOYERS. Employers with less than
8 25 employees.

9 "(b) For tax years beginning after December 31, ~~2008~~
10 2010, in addition to any other Alabama income tax deduction
11 that a qualifying employee may be entitled to with respect to
12 the payment of health insurance premiums, qualifying employees
13 shall be allowed to deduct from Alabama gross income ~~50~~ 100
14 percent of the amounts they pay as health insurance premiums
15 as part of an employer provided health insurance plan provided
16 by a qualifying employer.

17 "(c) In addition to any other Alabama income tax
18 deduction that a qualifying employer may be entitled to with
19 respect to the payment of health insurance premiums paid on
20 behalf of qualifying employees, the qualifying employer shall
21 be allowed as a deduction in the computation of Alabama
22 taxable income ~~50~~ 100 percent of the amounts they pay as
23 health insurance premiums on behalf of qualifying employees in
24 connection with an employer provided health insurance plan."

1 Section 2. All laws or parts of laws which conflict
2 with this act are repealed.

3 Section 3. This act shall become effective
4 immediately following its passage and approval by the
5 Governor, or its otherwise becoming law.

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 22-MAR-11.

Greg Pappas
Clerk

Senate

14-APR-11

Passed