

1 SB159
2 126254-1
3 By Senators Reed, Taylor, McGill, Williams, Holley, Brewbaker,
4 Dial, Bussman, Sanford, Brooks, Waggoner, Scofield, Marsh,
5 Pittman, Ward, Orr and Beason
6 RFD: Health
7 First Read: 03-MAR-11

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8 SYNOPSIS: Under existing law, in addition to any other
9 Alabama income tax deduction that a qualifying
10 employee may be entitled to with respect to the
11 payment of health insurance premiums, qualifying
12 employees are allowed to deduct from Alabama gross
13 income 50 percent of the amounts they pay as health
14 insurance premiums as part of an employer provided
15 health insurance plan provided by a qualifying
16 employer.

17 Under existing law, in addition to any other
18 Alabama income tax deduction that a qualifying
19 employer may be entitled to with respect to the
20 payment of health insurance premiums paid on behalf
21 of qualifying employees, a qualifying employer is
22 allowed as a deduction in the computation of
23 Alabama taxable income 50 percent of the amounts
24 they pay as health insurance premiums on behalf of
25 qualifying employees in connection with an employer
26 provided health insurance plan.

1 This bill, in addition to any other Alabama
2 income tax deduction that a qualifying employee may
3 be entitled to with respect to the payment of
4 health insurance premiums, would allow qualifying
5 employees to deduct from Alabama gross income 100
6 percent of the amounts they pay as health insurance
7 premiums as part of an employer provided health
8 insurance plan provided by a qualifying employer.

9 This bill would also provide, in addition to
10 any other Alabama income tax deduction that a
11 qualifying employer may be entitled to with respect
12 to the payment of health insurance premiums paid on
13 behalf of qualifying employees, that a qualifying
14 employer would be allowed as a deduction in the
15 computation of Alabama taxable income 100 percent
16 of the amounts the employer pays as health
17 insurance premiums on behalf of qualifying
18 employees in connection with an employer provided
19 health insurance plan.

20
21 A BILL
22 TO BE ENTITLED
23 AN ACT

24
25 Amending Section 40-18-15.3 of the Code of Alabama
26 1975, to allow, in addition to any other Alabama income tax
27 deduction that a qualifying employee may be entitled to with

1 respect to the payment of health insurance premiums,
2 qualifying employees to deduct from Alabama gross income 100
3 percent of the amounts they pay as health insurance premiums
4 as part of an employer provided health insurance plan provided
5 by a qualifying employer; and to provide, in addition to any
6 other Alabama income tax deduction that a qualifying employer
7 may be entitled to with respect to the payment of health
8 insurance premiums paid on behalf of qualifying employees,
9 that a qualifying employer is allowed as a deduction in the
10 computation of Alabama taxable income 100 percent of the
11 amounts the employer pays as health insurance premiums on
12 behalf of qualifying employees in connection with an employer
13 provided health insurance plan.

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

15 Section 1. Section 40-18-15.3 of the Code of Alabama
16 1975, is amended to read as follows:

17 "§40-18-15.3.

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

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

26 "(2) QUALIFYING EMPLOYERS. Employers with less than
27 25 employees.

1 "(b) For tax years beginning after December 31, ~~2008~~
2 2010, in addition to any other Alabama income tax deduction
3 that a qualifying employee may be entitled to with respect to
4 the payment of health insurance premiums, qualifying employees
5 shall be allowed to deduct from Alabama gross income ~~50~~ 100
6 percent of the amounts they pay as health insurance premiums
7 as part of an employer provided health insurance plan provided
8 by a qualifying employer.

9 "(c) In addition to any other Alabama income tax
10 deduction that a qualifying employer may be entitled to with
11 respect to the payment of health insurance premiums paid on
12 behalf of qualifying employees, the qualifying employer shall
13 be allowed as a deduction in the computation of Alabama
14 taxable income ~~50~~ 100 percent of the amounts they pay as
15 health insurance premiums on behalf of qualifying employees in
16 connection with an employer provided health insurance plan."

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

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