

HB273 INTRODUCED



1 KH19AA-1
2 By Representatives Kiel, Garrett, Paschal, Almond, Lee,
3 Pringle, Baker, Ellis, Collins, Hulseley, Estes, Chestnut,
4 Lawrence, Woods, Marques, Colvin, Stubbs, Mooney, Robertson,
5 Kitchens, Faulkner, Wood (D), Daniels
6 RFD: Ways and Means Education
7 First Read: 06-Apr-23
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1 SYNOPSIS: Under existing law, an Alabama income tax
2 deduction is allowed for health insurance premiums
3 paid by qualifying employees and employers equal to
4 100 percent of the amounts paid.

5 This bill would revise the qualifications for
6 an employee and employer to receive the income tax
7 deduction for health insurance premiums paid.

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10 A BILL
11 TO BE ENTITLED
12 AN ACT

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14 Relating to income taxes; to amend Section 40-18-15.3,
15 Code of Alabama 1975, to revise the qualifications for
16 employees and employers to receive the income tax deduction
17 for health insurance premiums paid.

18 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

21 "§40-18-15.3

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

24 (1) QUALIFYING EMPLOYEES. Alabama resident employees
25 who are employed by qualifying employers, ~~earn no more than~~
26 ~~\$50,000 of wages in the applicable tax year,~~ and report no
27 more than \$75,000 of adjusted gross income on their Alabama



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28 individual income tax return (\$150,000 if married filing
29 jointly) for the applicable year.

30 (2) QUALIFYING EMPLOYERS. Employers with less than ~~25~~50
31 employees.

32 (b) For tax years beginning after December 31,
33 ~~2010~~2023, in addition to any other Alabama income tax
34 deduction that a qualifying employee may be entitled to with
35 respect to the payment of health insurance premiums,
36 qualifying employees shall be allowed to deduct from Alabama
37 gross income 100 percent of the amounts they pay as health
38 insurance premiums as part of an employer provided health
39 insurance plan provided by a qualifying employer.

40 (c) In addition to any other Alabama income tax
41 deduction that a qualifying employer may be entitled to with
42 respect to the payment of health insurance premiums paid on
43 behalf of ~~qualifying~~ employees, the qualifying employer shall
44 be allowed as a deduction in the computation of Alabama
45 taxable income 100 percent of the amounts they pay as health
46 insurance premiums in connection with an employer provided
47 health insurance plan on behalf of ~~qualifying~~ employees making
48 less than \$75,000 annually in wages from the qualifying
49 employer~~in connection with an employer provided health~~
50 ~~insurance plan.~~"

51 Section 2. This act shall become effective on the first
52 day of the third month following its passage and approval by
53 the Governor, or its otherwise becoming law.