

1 HB215  
2 164899-1  
3 By Representatives Nordgren, Butler, Hammon, Shedd, Johnson  
4 (K), Harbison, Henry, Ledbetter, Farley, Treadaway, South,  
5 McCutcheon, Rowe, Faulkner, Fridy, Williams (P), Ball,  
6 Patterson, Rich, Wilcox, Greer, Hanes, Davis and Sessions  
7 RFD: Ways and Means Education  
8 First Read: 10-MAR-15

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8 SYNOPSIS: Under existing law, taxpayers do not have an  
9 option for deducting contributions made to a Health  
10 Savings Account.

11 This bill would grant a deduction on the  
12 Alabama Individual Income Tax return for Health  
13 Savings Accounts that mirrors the one allowed for  
14 Federal Income Tax purposes.

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16 A BILL  
17 TO BE ENTITLED  
18 AN ACT

19  
20 To add Section 40-18-15.6, Code of Alabama 1975;  
21 relating to the Health Savings Account Contributions.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. Section 40-18-15.6, Code of Alabama 1975,  
24 is added to read as follows:

25 "Section 40-18-15.6

1           "(a) For the purposes of this section, Health  
2 Savings Account Contributions are defined as contributions  
3 made by a taxpayer to his or her health savings account up to  
4 the maximum amount allowed pursuant to 26 USC §223.

5           "(b) Alabama residents will be allowed to deduct  
6 contributions made on or after January 1, 2017, by or on  
7 behalf of such individual to a health savings account of such  
8 individual to coincide with annual amount allotted by federal  
9 law or regulation. Employer contributions are not includible  
10 in an employee's income and are therefore not deductible."

11           Section 2. All laws or parts of laws which conflict  
12 with this act are hereby repealed.

13           Section 3. This act shall become effective for the  
14 taxable years beginning after December 31, 2016, and following  
15 its passage and approval by the Governor, or upon its  
16 otherwise becoming law.