



1 KH19AA-2

2 By Representatives Kiel, Garrett, Paschal, Almond, Lee,
3 Pringle, Baker, Ellis, Collins, Hulsey, 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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9 2023 Regular Session



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4 A BILL
5 TO BE ENTITLED
6 AN ACT

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8 Relating to income taxes; to amend Section 40-18-15.3,
9 Code of Alabama 1975, to revise the qualifications for
10 employees and employers to receive the income tax deduction
11 for health insurance premiums paid.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

15 "§40-18-15.3

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

24 (2) QUALIFYING EMPLOYERS. Employers with less than 2550
25 employees.



26 (b) For tax years beginning after December 31,
27 20102023, in addition to any other Alabama income tax
28 deduction that a qualifying employee may be entitled to with
29 respect to the payment of health insurance premiums,
30 qualifying employees shall be allowed to deduct from Alabama
31 gross income 100 percent of the amounts they pay as health
32 insurance premiums as part of an employer provided health
33 insurance plan provided by a qualifying employer.

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



52 (\$10,000,000) for the following expenditures:

53 a. Corporate income tax small business health
54 insurance premiums.

55 b. Individual income tax small employer and employee
56 health insurance premiums."

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



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House of Representatives

63 Read for the first time and referred 06-Apr-23
64 to the House of Representatives
65 committee on Ways and Means
66 Education
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68 Read for the second time and placed 19-Apr-23
69 on the calendar:
70 1 amendment
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72 Read for the third time and passed 27-Apr-23
73 as amended
74 Yeas 97
75 Nays 1
76 Abstains 7
77
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79 John Treadwell
80 Clerk
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