

ACT No. 2008-559

1 HB61
2 103501-3
3 By Representative Lindsey
4 RFD: Education Appropriations
5 First Read: 27-MAY-08



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ENROLLED, An Act,

To increase the income tax deductions allowed for health insurance premiums paid by qualifying small businesses and their employees.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. As used in this act, the following terms shall have the following meanings:

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

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

Section 2. (a) For tax years beginning after December 31, 2008, 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 shall be allowed to deduct from Alabama gross income fifty percent (50%) of the amounts they pay as health insurance premiums as part of an employer provided health insurance plan provided by a qualifying employer.

1 (b) In addition to any other Alabama income tax
2 deduction that a qualifying employer may be entitled to with
3 respect to the payment of health insurance premiums paid on
4 behalf of qualifying employees, the qualifying employer shall
5 be allowed as a deduction in the computation of Alabama
6 taxable income fifty percent (50%) of the amounts they pay as
7 health insurance premiums on behalf of qualifying employees in
8 connection with an employer provided health insurance plan.

9 Section 3. The provisions of this act are severable.
10 If any part of this act is declared invalid or
11 unconstitutional, that declaration shall not affect the part
12 which remains.

13 Section 4. All laws or parts of laws which conflict
14 with this act are hereby repealed.

15 Section 5. This act shall become effective
16 immediately following its passage and approval by the
17 Governor, or upon its otherwise becoming law, but only upon
18 the enactment of ~~House Bill _____~~ House Bill 62 of the 2008
19 First Special Session. If ~~House Bill _____~~ House Bill 62 of the
20 2008 First Special Session is not enacted, then the provisions
21 of this act shall become null and void.

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Speaker of the House of Representatives

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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 29-MAY-08, as amended.

Greg Pappas
Clerk

Senate

31-MAY-2008

Passed

APPROVED

[Handwritten signature]
June 10, 2008

TIME

9:05 a.m.

GOVERNOR

Alabama Secretary Of State

Act Num....: 2008-559
Bill Num....: H-61