

2008 SESSION

LEGISLATION NOT PREPARED BY DLS
INTRODUCED

089801508

HOUSE BILL NO. 59

Offered January 9, 2008

Prefiled December 5, 2007

A *BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.12, relating to income tax credits for the cost of health insurance premiums.*

Patron—Frederick

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.12 as follows:

§ 58.1-339.12. Health insurance premiums tax credit.

A. 1. For taxable years beginning on or after January 1, 2009, any employer who pays for at least one-half of the total annual health insurance premium on behalf of each employee shall be entitled to a credit against the tax levied pursuant to §§ 58.1-320 and 58.1-400. The amount of the credit for each taxable year shall be equal to the lesser of the amount paid during the taxable year by the employer in health insurance premiums for each employee or \$500 per employee.

The credits authorized by this section shall be available to employers with businesses having 50 or fewer full-time employees. The total amount of credits available annually under this section to each eligible employer shall not exceed \$25,000. Any tax credit not usable for the taxable year may be carried over to the extent usable for the next three taxable years or until the full credit is used, whichever is sooner.

B. To claim the credit authorized under this section, the employer shall attach to the income tax return proof of payment for the health insurance premiums. The Tax Commissioner shall establish guidelines regarding the information to include and the format for such proof of payment. Such guidelines shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq.).

C. An employer may not claim a credit under this section and a deduction for federal income tax purposes in the same taxable year for health insurance premiums paid on behalf of an employee.

INTRODUCED

HB59