

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 1159

Short Title: Employer Health Ins. Incentives.

(Public)

Sponsors: Representative Duncan.

Referred to: Commerce.

April 11, 1989

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE INCENTIVES TO EMPLOYERS TO MAKE HEALTH
3 INSURANCE AVAILABLE TO THEIR EMPLOYEES.

4 Whereas, at any one time nearly one in every seven North Carolinians is
5 without health insurance; and

6 Whereas, over one-half of the uninsureds are individuals who are employed
7 or who are the dependents of employed individuals; and

8 Whereas, employer-sponsored health plans currently provide insurance
9 protection for over three-fourths of the State's working population; and

10 Whereas, the cost of the care currently being provided to the uninsureds is
11 being paid for by those employers who are already providing their employees with
12 employer-based coverages by way of higher charges from providers; and

13 Whereas, access to needed health care is vital to maintaining a healthy and
14 motivated work force in the State; Now, therefore,
15 The General Assembly of North Carolina enacts:

16 Section 1. Chapter 58 of the General Statutes is amended by adding a new
17 section to read:

18 "**§ 58-251.9. Employer provided health insurance required.**

19 By January 1, 1994, all employers of five or more employees shall make
20 available to all employees an employer-sponsored health and accident insurance plan, or
21 at least a payroll deduction option, by which employees may choose to cover
22 themselves and their dependents with a health and accident insurance plan."

23 Sec. 2. Division I of Article 4 of Chapter 105 of the General Statutes is
24 amended by adding a new section to read:

1 **"§ 105-130.41. Credit for an employer-sponsored health and accident insurance**
2 **plan.**

3 (a) A corporation that does not provide, as of January 1, 1990, an employer-
4 sponsored health and accident insurance plan, to all of its employees, that offers for the
5 first time prior to January 1, 1993, an employer-sponsored health and accident insurance
6 plan, is allowed as a credit against the tax imposed by this division an amount equal to
7 the administrative costs of providing the employer-sponsored health and accident
8 insurance plan. This credit may not exceed two hundred fifty dollars (\$250.00) for any
9 income year for any corporation.

10 (b) For each taxable year thereafter each corporation that claimed a credit
11 under subsection (a) of this section, that employs fewer than 25 employees and that
12 provides an employer-sponsored health and accident insurance plan to all of its
13 employees is allowed as a credit against the tax imposed by this division an amount
14 equal to the administrative costs of providing the employer-sponsored health and
15 accident insurance plan. This credit may not exceed one hundred dollars (\$100.00) for
16 any income year for any corporation."

17 Sec. 3. Division II of Article 4 of Chapter 105 is amended by adding a new
18 section to read:

19 **"§ 105-151.18. Credit for an employer-sponsored health and accident insurance**
20 **plan.**

21 A person who is an employer who does not provide, as of January 1, 1990, an
22 employer-sponsored health and accident insurance plan, to all of his employees, that
23 offers for the first time prior to January 1, 1993, an employer-sponsored health and
24 accident insurance plan, is allowed a credit against the tax imposed by this division an
25 amount equal to the administrative costs of providing the employer-sponsored health
26 and accident insurance plan. This credit may not exceed two hundred fifty dollars
27 (\$250.00) for any income year for any individual.

28 (b) For each taxable year thereafter, each person who claimed a tax credit
29 under subsection (a) of this section, who employs fewer than 25 employees, and who
30 provides an employer-sponsored health and accident insurance plan to all of their
31 employees is allowed a tax credit against the tax imposed by this division an amount
32 equal to the administrative costs of providing the employer-sponsored health and
33 accident insurance plan. This credit may not exceed one hundred dollars (\$100.00) for
34 any income year for any individual."

35 Sec. 4. This act shall become effective January 1, 1990, and shall apply to
36 taxable years beginning on or after January 1, 1990.