

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

**H**

**1**

**HOUSE BILL 1531**

Short Title: Clarify Small Business Health Insurance Crdt. (Public)

---

Sponsors: Representatives Holliman; Bordsen, Faison, T. Harrell, and Hurley.

---

Referred to: Insurance, if favorable, Finance.

---

April 18, 2007

A BILL TO BE ENTITLED

1 AN ACT TO CLARIFY THE SMALL EMPLOYER HEALTH INSURANCE TAX  
2 CREDIT.  
3

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-129.16E(a) reads as rewritten:

6 "(a) Credit. – A small business that provides health benefits for all of its eligible  
7 employees during the taxable year is allowed a credit to offset its costs in providing  
8 health benefits for its eligible employees. For the purposes of this subsection, a taxpayer  
9 provides health benefits if it pays at least fifty percent (50%) of the premiums for ~~health~~  
10 ~~care coverage that equals or exceeds the minimum provisions of the basic health care~~  
11 ~~plan of coverage recommended by the Small Employer Carrier Committee pursuant to~~  
12 ~~G.S. 58-50-125~~ a health benefit plan sold by a small employer carrier under Part 5 of  
13 Article 50 of Chapter 58 of the General Statutes or if its employees have qualifying  
14 existing coverage.

15 The credit is equal to a dollar amount per eligible employee whose total wages or  
16 salary received from the business does not exceed forty thousand dollars (\$40,000) on  
17 an annual basis. The dollar amount is two hundred fifty dollars (\$250.00), not to exceed  
18 the taxpayer's costs of providing health benefits for the employee during the taxable  
19 year."

20 **SECTION 2.** This act is effective for taxable years beginning on or after  
21 January 1, 2007.