

March 3, 2009

S 365. CHILD HEALTH INSURANCE TAX CREDIT. Filed 3/3/09. *TO PROVIDE FOR AN INCOME TAX CREDIT FOR THE PROVISION OF QUALIFIED HEALTH INSURANCE FOR A DEPENDENT CHILD.*

Enacts a new GS 105-151.33 to allow a credit against individual income tax in an amount equal to the premium costs that the individual paid during the taxable year on qualified health coverage for a dependent who was claimed as a personal exemption deduction under section 151(c)(1)(A) of the Internal Revenue Code (Code). Limits the credit to the amount of individual income tax imposed reduced by the sum of all credits allowed, except payments of tax made by or on behalf of the taxpayer. Allows for calculation of the credit for nonresidents or part-year residents. Prohibits allowing a credit for payments that are deducted from, or not included in, the taxpayer's gross income for the taxable year, including a deduction for medical expenses under section 213 of the Code. Directs that the credit is reduced by the applicable percentage provided for in the Code for deductions of health insurance costs by self-employed individuals. Provides that the individual must submit any information required by the Secretary of Revenue to demonstrate the amount paid for premiums. Defines *qualified health coverage* as health care coverage that equals or exceeds the minimum provisions of the basic health care plan of coverage recommended pursuant to GS 58-50-125 (Small Employer Group Health Insurance Reform). Amends GS 105-160.3(b) to add this proposed credit to the list of credits that are not allowed to an estate or trust. Effective for taxable years beginning on or after January 1, 2009.

Intro. by Berger of Rockingham.

GS 105