

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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SENATE BILL DRS15385-Nif-188

Short Title: Health Insurance Premium Tax Credit.

(Public)

Sponsors: Senator Bradley (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO CREATE A TAX CREDIT FOR BUSINESSES THAT PROVIDE WAGES FOR  
3 EMPLOYEE HEALTH INSURANCE PREMIUMS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Part 2 of Article 4 of Chapter 105 of the General Statutes is amended  
6 by adding a new section to read:

7 **"§ 105-153.13. Tax credit for businesses that provide wages for employee health insurance**  
8 **premiums.**

9 (a) Definitions. – The following definitions apply in this section:

10 (1) Eligible business. – A business with a physical presence in the State that has  
11 eligible expenses.

12 (2) Eligible expenses. – Wages paid by an eligible business to a qualifying  
13 employee for the payment of an employee's health insurance premiums.

14 (3) Qualifying employee. – An individual employed (i) for consideration for at  
15 least 35 hours a week and whose wages are subject to withholding under  
16 Article 4A of this Chapter and (ii) by an eligible business.

17 (b) Credit. – A taxpayer who is an eligible business is allowed a credit against the tax  
18 imposed by this Part in an amount not to exceed four hundred dollars (\$400.00) per qualifying  
19 employee.

20 (c) Aggregate Limitation. – The total amount of credits allowed pursuant to this section  
21 may not exceed in the aggregate five million dollars (\$5,000,000) for all taxpayers for any one  
22 calendar year.

23 (d) Application. – An eligible business seeking to claim a tax credit provided for under  
24 this section shall submit an application to the Department of Revenue for tentative approval for  
25 the tax credit in the year for which the tax credit is claimed or allowed. Applications shall be  
26 accepted on a first-come, first-served basis. The Department of Revenue shall provide for the  
27 manner in which the application is to be submitted and the information required in the application  
28 which shall include, at a minimum, proof of the applicant business's eligible expenses. The  
29 Department of Revenue shall review the application and tentatively shall approve the application  
30 upon determining that it meets the requirements of this section by January 31 of the year after  
31 the application was submitted. If the credit amounts on the tax credit applications filed with the  
32 Department of Revenue exceed the maximum aggregate limit of tax credits, then the tax credit  
33 must be allocated among the eligible business entities who filed a timely application on a  
34 first-come, first-served basis based upon the amounts otherwise allowed by this section. Once  
35 the tax credit application has been approved and the amount has been communicated to the



1 applicant, the eligible business then may apply the amount of the approved tax credit to its tax  
2 liability for the tax year of which the approved application applies.

3 (e) Report. – By March 31 of each year, the Department of Revenue shall report to the  
4 Joint Legislative Committee on Governmental Operations by county, the number of eligible  
5 business tax credit applications the Department has received, the number of tax credit  
6 applications approved, and the tax credits approved. This report must be made available in a  
7 conspicuous place on the Department's website."

8 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,  
9 2026.