

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

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**HOUSE DRH50492-MC-141 (4/3)**

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

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Sponsors: Representative Holliman.

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Referred to:

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A BILL TO BE ENTITLED

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

The General Assembly of North Carolina enacts:

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

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

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

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