

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE DRH50543-MC-177 (03/25)

Short Title: Extend Small Bus. Health Ins. Benefit Credit.

(Public)

Sponsors: Representative Moore.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO EXTEND THE SUNSET FOR THE CREDIT FOR SMALL BUSINESS
3 EMPLOYEE HEALTH BENEFITS.

4 The General Assembly of North Carolina enacts:

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

6 "**§ 105-129.16E. Credit for small business employee health benefits.**

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

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

18 (b) Allocation. – If the taxpayer is an individual who is a nonresident or a part-year
19 resident, the taxpayer must reduce the amount of the credit by multiplying it by the fraction
20 calculated under G.S. 105-134.5(b) or (c), as appropriate. If the taxpayer is not an individual
21 and is required to apportion its multistate business income to this State, the taxpayer must
22 reduce the amount of the credit by multiplying it by the apportionment fraction used to
23 apportion its apportionable income to this State.

24 (c) Definitions. – The following definitions apply in this section:

25 (1) Eligible employee. – Defined in G.S. 58-50-110.

26 (2) Qualifying existing coverage. – Defined in G.S. 58-50-130(a)(4a).

27 (3) Small business. – A taxpayer that employs no more than 25 eligible
28 employees throughout the taxable year.

29 (d) Sunset. – This section expires for taxable years beginning on or after January 1,
30 2010-2012."

31 **SECTION 2.** This act is effective when it becomes law.

