

January 31, 2005

**H 20. SMALL BUSINESS HEALTH INSURANCE CREDIT. TO PROVIDE A TAX CREDIT FOR SMALL BUSINESSES THAT PROVIDE EMPLOYEE HEALTH INSURANCE.** Provides that small business (taxpayer employing no more than 25 employees throughout taxable year) providing health benefits (as specified in bill) for all of its eligible employees during taxable year is allowed credit to offset costs in providing health benefits. Credit is equal to \$400 per eligible employee, not to exceed taxpayer's costs of providing health benefits. Effective for taxable years beginning on or after Jan. 1, 2006.

**Intro. by Holliman and Bordsen.**

Ref. to Finance

GS 105

August 4, 2005

**H 20. HEALTH INSURANCE CREDIT/MINIMUM WAGE (NEW).** Intro. 1/31/05. House committee substitute makes the following changes to 1st edition. Modifies proposed GS 105-129.16E to provide that a small business is eligible for a credit if it pays at least 50% of the premiums for employee health care coverage that complies with the minimum provisions recommended by the Small Employer Carrier Committee or if its employees have qualifying existing coverage. Also adds definition for "qualifying existing coverage," revises definition of "small business" to require that taxpayer employ no more than 25 "eligible" employees in taxable year, and provides that a taxpayer may not claim a credit for costs for which a deduction has been claimed. Provides that section sunsets for taxable years beginning on or after January 1, 2010. Makes conforming changes to GS 105-130.5(a) and 105-134.6(c) and reorganizes existing sunset provision of Article 3B of GS Chapter 105.

Amends GS 95-25.3 to increase minimum wage to \$6.00 per hour, effective January 1, 2006. Makes technical changes.

August 10, 2005

**H 20. HEALTH INSURANCE CREDIT/MINIMUM WAGE.** Intro. 1/31/05. House amendments make the following changes to 2nd edition. Amendment #1 deletes provision prohibiting taxpayers from claiming a credit for small business employee health benefits for which it also claimed a deduction. Amendment #2 increases the maximum tax credit allowed per employee covered from \$400 to \$800.