
HOUSE BILL 1872

State of Washington

61st Legislature

2009 Regular Session

By Representatives Hinkle, Bailey, Ericksen, Angel, Anderson, McCune, Chandler, Orcutt, Newhouse, Condotta, Ross, Haler, Kristiansen, Schmick, and Kelley

Read first time 01/30/09. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to providing tax incentives for the purchase of
2 health care plans; adding new sections to chapter 82.04 RCW; adding a
3 new section to chapter 48.14 RCW; and providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
6 to read as follows:

7 In computing the tax imposed under this chapter, a person
8 conducting business as a sole proprietorship may credit against the tax
9 imposed by this chapter fifty percent of the value paid during the
10 reporting period for health insurance premiums. The credit may not
11 exceed the tax otherwise due under this chapter for the reporting
12 period. Unused credit may be carried over and used in subsequent tax
13 reporting periods. No refunds are granted for credits under this
14 section.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW
16 to read as follows:

17 (1) In computing the tax imposed under this chapter, a credit is
18 allowed against the amount of tax otherwise due under this chapter for

1 fifty percent of the amount paid by small employers to provide health
2 care services for its employees during the reporting period. The
3 credit may not exceed the tax otherwise due under this chapter for the
4 reporting period. Payments made by employees are not eligible for
5 credit under this section.

6 (2) For the purposes of this section, the following definitions
7 apply:

8 (a) "Small employer" means a person as defined in RCW 82.04.030
9 that employs an average of at least two but not more than one hundred
10 fifty employees; and

11 (b) "Health care services" means a health benefit plan as defined
12 in RCW 48.43.005, contributions to health savings accounts as defined
13 by the United States internal revenue service, or other health care
14 services purchased by the small employer for its employees.

15 (3) A small employer taking a credit under this section must keep
16 records necessary for the department to verify eligibility under this
17 section.

18 NEW SECTION. **Sec. 3.** A new section is added to chapter 48.14 RCW
19 to read as follows:

20 (1) The taxes imposed in RCW 48.14.020 and 48.14.0201 do not apply
21 to premiums and prepayments collected or received for high deductible
22 health plans sold or maintained in connection with a health savings
23 account under the applicable provisions of Title 26 U.S.C. Sec. 223 of
24 the federal internal revenue code.

25 (2) An insurer receiving an exemption under this section shall
26 reduce premiums and prepayments collected or received by an amount
27 equal to the exemption.

28 (3) An insurer taking an exemption under this section must keep
29 records necessary for the commissioner to verify eligibility under this
30 section.

31 NEW SECTION. **Sec. 4.** This act takes effect August 1, 2009.

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