

SECOND REGULAR SESSION

# HOUSE BILL NO. 1677

## 93RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES ERVIN (Sponsor), NANCE, SMITH (118), FISHER, DETHROW, BIVINS, SATER, MUNZLINGER, DIXON, MEINERS, WASSON, McGHEE, FLOOK, MOORE, SANDER AND MAY (Co-sponsors).

Read 1st time February 6, 2006 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4612L.01I

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### AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to health insurance premium deductions.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be known as section 135.098, to read as follows:

- 135.098. 1. As used in this section, "qualified health insurance" means any insurance policy primarily providing health care coverage, other than insurance coverage provided through the taxpayer's employer for the taxpayer, the taxpayer's spouse, or the taxpayer's dependants.**
- 2. For all tax years beginning on or after January 1, 2006, a resident individual may deduct from such individual's Missouri taxable income the amount paid during such tax year by such individual for qualified health insurance premiums as specified in this section. A married individual filing a Missouri income tax return separately from such individual's spouse shall be allowed to make a deduction under this section in an amount equal to the proportion of such individual's payment of all qualified health insurance premiums during such tax year as specified in this section.**
- 3. The amount that may be deducted under this section shall be as follows:**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

13           (1) For tax year 2006, up to twenty percent of such qualified health insurance  
14 premium payments;

15           (2) For tax year 2007, up to forty percent of such qualified health insurance  
16 premium payments;

17           (3) For tax year 2008, up to sixty percent of such qualified health insurance  
18 premium payments;

19           (4) For tax year 2009, up to eighty percent of such qualified health insurance  
20 premium payments; and

21           (5) For tax year 2010, up to one hundred percent of such qualified health insurance  
22 premium payments.

23           4. The director of the department of revenue shall establish the procedure by which  
24 the deduction in this section may be claimed, and may promulgate rules to implement the  
25 provisions of this section. Any rule or portion of a rule, as that term is defined in section  
26 536.010, RSMo, that is created under the authority delegated in this section shall become  
27 effective only if it complies with and is subject to all of the provisions of chapter 536,  
28 RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are  
29 nonseverable and if any of the powers vested with the general assembly pursuant to  
30 chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule  
31 are subsequently held unconstitutional, then the grant of rulemaking authority and any  
32 rule proposed or adopted after August 28, 2006, shall be invalid and void.

33           5. Under section 23.253, RSMo, of the Missouri Sunset Act:

34           (1) The provisions of the new program authorized under this section shall  
35 automatically sunset six years after the effective date of this section unless reauthorized by  
36 an act of the general assembly; and

37           (2) If such program is reauthorized, the program authorized under this section  
38 shall automatically sunset twelve years after the effective date of the reauthorization of this  
39 section; and

40           (3) This section shall terminate on September first of the calendar year immediately  
41 following the calendar year in which the program authorized under this section is sunset.

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