

HCS HB 1677 -- HEALTH INSURANCE PREMIUM DEDUCTION (Ervin)

COMMITTEE OF ORIGIN: Ways and Means

This substitute authorizes a phased-in income tax deduction for health insurance premiums paid by the taxpayer for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents. For tax year 2006, a 20% deduction is allowed, 40% for 2007, 60% for 2008, 80% for 2009, and 100% for 2010.

The provisions of the substitute will expire six years from the effective date.

FISCAL NOTE: Estimated Cost on General Revenue Fund of Up to \$28,076,990 in FY 2007, Up to \$56,078,226 in FY 2008, and Up to \$84,080,187 in FY 2009. No impact on Other State Funds in FY 2007, FY 2008, and FY 2009.