

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

HOUSE BILL NO. 2106

By: Boyd (Laura)

AS INTRODUCED

An Act relating to revenue and taxation; authorizing income tax credit for certain health insurance policy premium; providing for amount of credit; defining terms; imposing limit on credit amount; prescribing method to determine maximum amount of credit; requiring certain determination by Oklahoma Basic Health Benefits Board; requiring assistance by certain agencies; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.33 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For taxable years beginning after December 31, 1997, there shall be allowed as a credit against the tax imposed by Section 2355 of this title an amount for the cost of providing health care insurance for employees of a small business, subject to the maximum amount prescribed by subsection C of this section, as follows:

1. Two hundred percent (200%) of the cost of employer-paid premiums pursuant to a qualified basic health insurance policy for

the first calendar year in which the premiums eligible for the credit provided by this section are paid;

2. One hundred seventy-five percent (175%) of the cost of employer-paid premiums pursuant to a qualified basic health insurance policy for the second calendar year in which the premiums eligible for the credit provided by this section are paid;

3. One hundred fifty percent (150%) of the cost of employer-paid premiums pursuant to a qualified basic health insurance policy for the third calendar year in which the premiums eligible for the credit provided by this section are paid;

4. One hundred twenty-five percent (125%) of the cost of employer-paid premiums pursuant to a qualified basic health insurance policy for the fourth calendar year in which the premiums eligible for the credit provided by this section are paid; and

5. One hundred percent (100%) of the cost of employer-paid premiums pursuant to a qualified basic health insurance policy for the fifth calendar year in which the premiums eligible for the credit provided by this section are paid and for each calendar year thereafter.

B. As used in this section:

1. "Qualified basic health care insurance policy" means a policy consisting of the following elements or elements substantially equivalent thereto:

- a. not less than fifty percent (50%) of the premium shall be paid by the employer,
- b. coverage for basic hospital care,
- c. coverage for physician care,
- d. coverage for mental health care,
- e. coverage for substance abuse treatment,
- f. coverage for prescription drugs, and
- g. coverage for prenatal care; and

2. "Small business" means any legally recognized business entity employing an average of one hundred (100) or fewer employees that provides a qualified basic health care insurance policy to its work force.

C. The maximum amount of annual health care insurance policy premium cost which may be allowed for purposes of the credit authorized by this section shall be the average annual premium cost for all health care insurance policies written by domestic Oklahoma insurance companies in the following categories for the calendar year preceding the year in which the qualified premium cost is incurred:

1. Individual with no dependents;
2. Individual with one or more minor dependents;
3. Husband and wife; and
4. Individual with a spouse and at least one minor as dependents.

D. The Oklahoma Basic Health Benefits Board shall determine the average annual premium cost for the insurance coverage categories identified in subsection C of this section. The Oklahoma Insurance Department and the Oklahoma Department of Health shall provide such assistance as may be required in order for the Oklahoma Basic Health Benefits Board to make this determination.

SECTION 2. This act shall become effective January 1, 1998.

46-1-5432

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