

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 69

DATE: March 1, 2007

Version: As Introduced

Authors: Mullery and others

Subject: Income tax subtraction for health insurance premiums

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Overview

Provides an income tax subtraction for health insurance premiums.

Section

- 1 Subtractions from taxable income; health insurance.** Provides an income tax subtraction for health insurance premiums. Defines health insurance premiums by reference to the Internal Revenue Code to include amounts that qualify for the federal medical expense itemized deduction (health insurance and long-term care insurance). Excludes amounts deducted under the federal medical expense itemized deduction, the federal deduction for health insurance premiums paid by self-employed individuals, and amounts used in calculating the state long-term care insurance credit.
- 2 Alternative minimum taxable income.** Provides for health insurance premiums allowed as a subtraction in section 1 to also be subtracted from alternative minimum taxable income. This is necessary to avoid shifting individuals who claim the subtraction in section 1 onto the alternative minimum tax.