

House Bill 518

By: Representative Morris of the 120th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,
2 relating to the imposition, rate, and computation of income tax, so as to provide for an
3 income tax credit with respect to qualified health insurance expenses; to provide for
4 conditions and limitations; to provide for powers, duties, and authority of the state revenue
5 commissioner with respect to the foregoing; to provide an effective date; to provide for
6 applicability; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the
10 imposition, rate, and computation of income tax, is amended by adding a new Code section
11 immediately following Code Section 48-7-29.8, to be designated Code Section 48-7-29.9,
12 to read as follows:

13 "48-7-29.9.

14 (a) As used in this Code section, the term 'qualified health insurance expense' means the
15 expenditure of funds by the taxpayer for health insurance premiums authorized under the
16 Consolidated Omnibus Budget Reconciliation Act of 1985, known as 'COBRA,' due to
17 termination of taxpayer's employment or change of taxpayer's entitlement status to
18 participate in an employer health insurance plan.

19 (b) A taxpayer shall be allowed a credit against the tax imposed by Code Section 48-7-20
20 for qualified health insurance expenses in an amount not to exceed the actual amount
21 expended or \$1,200.00, whichever is less.

22 (c) In no event shall the total amount of the tax credit under this Code section for a taxable
23 year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the
24 taxpayer against succeeding years' tax liability. No such credit shall be allowed the
25 taxpayer against prior years' tax liability. No taxpayer shall be entitled to such credit with
26 respect to the same qualified health insurance premiums claimed by another taxpayer.

1 (d) The commissioner shall be authorized to promulgate any rules and regulations
2 necessary to implement and administer the provisions of this Code section."

3 **SECTION 2.**

4 This Act shall become effective upon its approval by the Governor or upon its becoming law
5 without such approval, and shall be applicable to all taxable years beginning on or after
6 January 1, 2003.

7 **SECTION 3.**

8 All laws and parts of laws in conflict with this Act are repealed.