

House Bill 1254

By: Representatives Knox of the 24<sup>th</sup>, Ehrhart of the 36<sup>th</sup>, Reese of the 98<sup>th</sup>, Meadows of the 5<sup>th</sup>, Keen of the 179<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 8 of Title 33 of the Official Code of Georgia Annotated, relating to fees  
2 and taxes, so as to provide an exemption for high deductible health plans; to amend Chapter  
3 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes, so as to  
4 provide that the taxable net income of any taxpayer of this state shall not include premiums  
5 paid for high deductible health plans established and used with a health savings account; to  
6 provide a short title; to provide for related matters; to provide for applicability; to provide  
7 an effective date; to repeal conflicting laws; and for other purposes.

8 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

9 **SECTION 1.**

10 This Act shall be known and may be cited as the "Healthcare Tax Relief Act of 2006."

11 **SECTION 2.**

12 Chapter 8 of Title 33 of the Official Code of Georgia Annotated, relating to fees and taxes,  
13 is amended by inserting a new subsection (c) in Code Section 33-8-4, relating to amount and  
14 method of computing tax on insurance premiums generally, to read as follows:

15 "(c) Insurers may claim an exemption from otherwise applicable state premium taxes as  
16 provided for in subsection (a) of this Code section in an amount equal to 2.25 percent of  
17 the premiums such insurers collect during the applicable tax year from Georgia residents  
18 on premiums paid for high deductible health plans sold or maintained in connection with  
19 a health savings account."

20 **SECTION 3.**

21 Said chapter is further amended by adding a new subsection (e) in Code Section 33-8-8.2,  
22 relating to county and municipal corporation taxes on other than life insurance companies,  
23 to read as follows:

1 "(e) Insurers may claim an exemption from otherwise applicable county and municipal  
2 corporation premium taxes as provided for in this Code section in an amount equal to 2.5  
3 percent of the premiums such insurers collect during the applicable tax year from Georgia  
4 residents on premiums paid for high deductible health plans sold or maintained in  
5 connection with a health savings account."

6 **SECTION 4.**

7 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes,  
8 is amended by inserting a new paragraph (13.1) in subsection (a) of Code Section 48-7-27,  
9 relating to computation of taxable net income, to read as follows:

10 "(13.1) An amount equal to 100 percent of the premium paid by the taxpayer during the  
11 taxable year for high deductible health plans established and used with a health savings  
12 account under the applicable provisions of the federal Internal Revenue Code contained  
13 in 26 U.S.C. Section 223."

14 **SECTION 5.**

15 This Act shall become effective on January 1, 2007, and shall be applicable to all taxable  
16 years beginning on and after January 1, 2007.

17 **SECTION 6.**

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