

House Bill 410

By: Representative Knox of the 24th

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to
2 provide an exemption from insurance premium taxes for certain insurance products; to make
3 certain technical corrections with regard to certain exemptions from insurance premium taxes
4 for certain insurance products; to amend Chapter 7 of Title 48 of the Official Code of
5 Georgia Annotated, relating to income taxes, so as to make certain technical corrections
6 regarding certain income tax deductions and income tax credits; to provide for related
7 matters; to provide for 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 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
11 revising subsection (c) of Code Section 33-8-4, relating to amount and method of computing
12 tax on insurance premiums generally, as follows:

13 "(c) Insurers shall be exempt from otherwise applicable state premium taxes as provided
14 for in subsection (a) of this Code section on premiums paid by Georgia residents for high
15 deductible health plans sold or maintained ~~in connection with a health savings account~~
16 under the applicable provisions of Section 223 of the Internal Revenue Code."

17 **SECTION 2.**

18 Said title is further amended by adding a new subsection (a.1) in Code Section 33-8-8.1,
19 relating to county and municipal corporation taxes on life insurance companies, to read as
20 follows:

21 "(a.1) For all taxable years beginning on or after January 1, 2010, insurers shall be exempt
22 from otherwise applicable local premium taxes as provided for in subsection (b) of this
23 Code section on premiums paid by Georgia residents for high deductible health plans sold
24 or maintained under the applicable provisions of Section 223 of the Internal Revenue
25 Code."

26 **SECTION 3.**

27 Said title is further amended by revising subsection (a.1) of Code Section 33-8-8.2, relating
 28 to amount and method of computing local insurance premium taxes on insurance companies
 29 other than life insurance companies, as follows:

30 "(a.1) Insurers shall be exempt from otherwise applicable local premium taxes as provided
 31 for in subsection (a) of this Code section on premiums paid by Georgia residents for high
 32 deductible health plans sold or maintained ~~in connection with a health savings account~~
 33 under the applicable provisions of Section 223 of the Internal Revenue Code."

34 **SECTION 4.**

35 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes,
 36 is amended by revising paragraph (13.1) of subsection (a) of Code Section 48-7-27, relating
 37 to computation of taxable net income, as follows:

38 "(13.1) An amount equal to 100 percent of the premium paid by the taxpayer during the
 39 taxable year for high deductible health plans established ~~and used with a health savings~~
 40 ~~account~~ under the applicable provisions of Section 223 of the Internal Revenue Code to
 41 the extent the deduction has not been included in federal adjusted gross income, as
 42 defined under the Internal Revenue Code of 1986, and the expenses have not been
 43 provided from a health reimbursement arrangement and have not been included in
 44 itemized nonbusiness deductions;"

45 **SECTION 5.**

46 Said chapter is further amended by revising paragraphs (1) and (3) of subsection (a) of Code
 47 Section 48-7-29.13, relating to tax credit for qualified health insurance expenses, as follows:

48 "(1) 'Qualified health insurance' means a high deductible health plan that includes, at a
 49 minimum, catastrophic health care coverage which is established ~~and used with a health~~
 50 ~~savings account~~ under the applicable provisions of Section 223 of the Internal Revenue
 51 Code."

52 "(3) 'Taxpayer' means an employer who employs directly, or who pays compensation to
 53 individuals whose compensation is reported on Form 1099, 50 or fewer persons and for
 54 whom the taxpayer provides high deductible health plans that include, at a minimum,
 55 catastrophic health care coverage which are established ~~and used with a health savings~~
 56 ~~account~~ under the applicable provisions of Section 223 of the Internal Revenue Code and
 57 in which such employees are enrolled."

58

SECTION 6.

59 This Act shall become effective upon its approval by the Governor or upon its becoming law
60 without such approval.

61

SECTION 7.

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