E2SHB 2572 - S AMD TO S AMD 218 (2572-S2.E KEIS SEIB 001) **297**
    By   Senator Parlette

ADOPTED 3/1/2006

1   On page 2, line 16 of the amendment, after "4 of this act" insert
2 "or a business and occupation tax deduction under section 5 of this
3 act"

4   On page 3, after line 20 of the amendment, insert the following:
5

6   "NEW SECTION. **Sec. 5.** A new section is added to chapter 82.04 RCW
7 to read as follows:
8   (1) In computing tax there may be deducted from the measure of tax
9 the amount paid by small employers to provide health care services for
10 its employees. Payments made by employees are not eligible for
11 deduction under this subsection.
12   (2) For the purposes of this section, the following definitions
13 apply:
14   (a) "Small employer" has the meaning provided in RCW 48.43.005;
15   (b) "Health care services" means a health benefit plan as defined
16 in RCW 48.43.005, contributions to health savings accounts as defined
17 by the United States internal revenue service, or other health care
18 services purchased by the small employer for its employees."

19   Renumber the remaining sections consecutively and correct internal
20 references accordingly.

21   On page 5, after line 25 of the amendment, insert the following:

22   "NEW SECTION. **Sec. 13.** Section 5 of this act takes effect July 1,
23 2006."

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3   On page 1, line 2 of the title, after "RCW;", strike the remainder
4   of the title and insert "adding a new section to chapter 82.04 RCW; and
5   creating a new section."

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EFFECT: Provides a tax incentive for small employers who provide
employer sponsored health care coverage.