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HOUSE BILL 1957

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State of Washington                      59th Legislature                      2005 Regular Session

By Representatives Serben, Curtis, Buri, Ericks, Kretz, Williams,  
Strow, Haler and Holmquist

Read first time 02/11/2005. Referred to Committee on Finance.

1            AN ACT Relating to a business and occupation tax credit for  
2 employer-provided health coverage and contributions; adding a new  
3 section to chapter 82.04 RCW; providing an effective date; providing an  
4 expiration date; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6            NEW SECTION.    **Sec. 1.** A new section is added to chapter 82.04 RCW  
7 to read as follows:

8            (1) A credit is allowed against the tax due under this chapter for  
9 an employer that offers a high deductible health plan in conjunction  
10 with contributions to employee health savings accounts. The credit is  
11 equal to fifty dollars per employee per month in the reporting period.

12            (2) No application is necessary for the credit. The person must  
13 keep records necessary for the department to verify eligibility under  
14 this section. This information includes:

15            (a) Employment records for the previous four years;

16            (b) Copies of the health insurance certificate provided to the  
17 employees; and

18            (c) Documentation that evidences contributions to health savings  
19 accounts.

1 (3) No refunds shall be granted for credits under this section, but  
2 credits may be carried over to subsequent years until used.

3 (4) For the purpose of this section, the following definitions  
4 apply:

5 (a) "Employee" means a person working in a full-time position  
6 covered under a high deductible health plan.

7 (b) "Health savings account" and "high deductible health plan" have  
8 the same meanings as provided in 26 U.S.C. Sec. 223.

9 (5) This section expires July 1, 2010.

10 NEW SECTION. **Sec. 2.** This act is necessary for the immediate  
11 preservation of the public peace, health, or safety, or support of the  
12 state government and its existing public institutions, and takes effect  
13 July 1, 2005.

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