

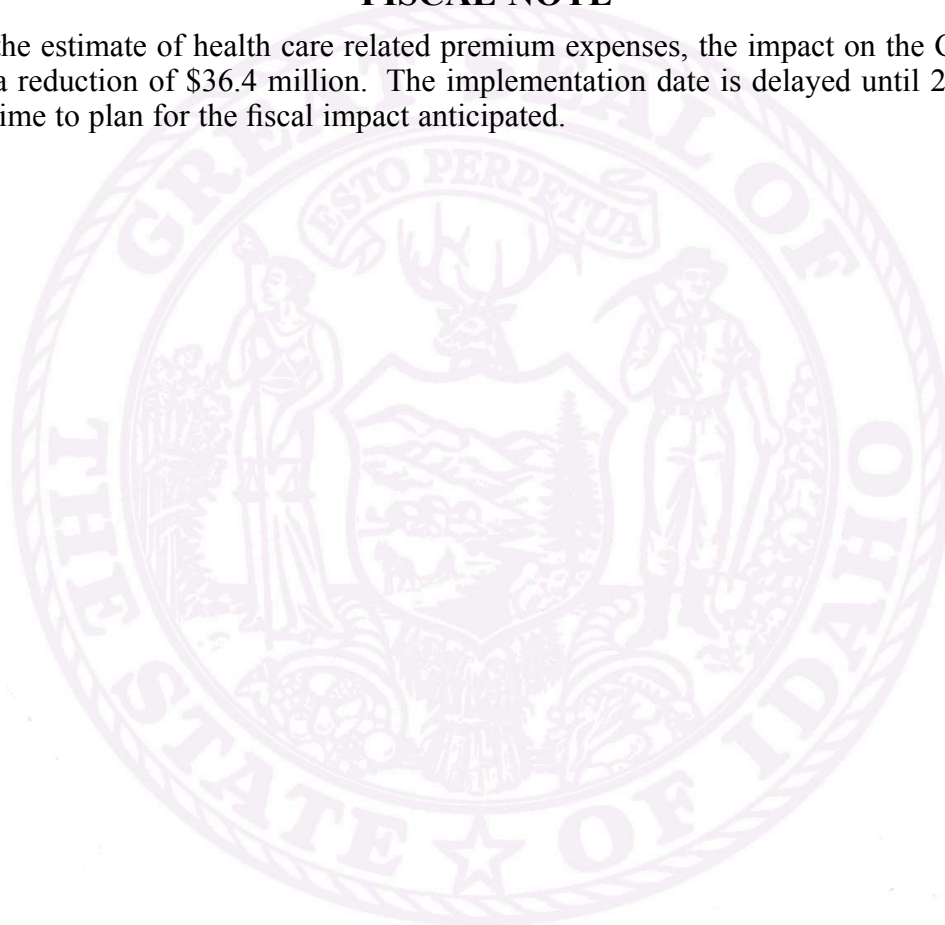
## STATEMENT OF PURPOSE

### RS22496C2

The purpose of this legislation is amend Idaho Code Section 63-3022 to provide an equitable treatment of individuals, currently afforded to corporations, related to the deduction of health care premium expenses from Idaho net income. Corporations are able to deduct 100% of the amount paid for employee health insurance benefits from their net income, resulting in no taxation for these insurance premiums. Individuals who purchase insurance are not afforded the same tax deduction, which can be a disincentive to providing health care insurance for the individual and potentially, their dependents. This legislation will be effective January 1, 2015.

### FISCAL NOTE

Based on the estimate of health care related premium expenses, the impact on the General Fund would be a reduction of \$36.4 million. The implementation date is delayed until 2015 to allow sufficient time to plan for the fiscal impact anticipated.



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