

1 HB215
2 164899-1
3 By Representatives Nordgren, Butler, Hammon, Shedd,
4 Johnson (K), Harbison, Henry, Ledbetter, Farley, Treadaway,
5 South, McCutcheon, Rowe, Faulkner, Fridy, Williams (P), Ball,
6 Patterson, Rich, Wilcox, Greer, Hanes, Davis and Sessions
7 RFD: Ways and Means Education
8 First Read: 10-MAR-15

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8 SYNOPSIS: Under existing law, taxpayers do not have an
9 option for deducting contributions made to a Health
10 Savings Account.

11 This bill would grant a deduction on the
12 Alabama Individual Income Tax return for Health
13 Savings Accounts that mirrors the one allowed for
14 Federal Income Tax purposes.

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16 A BILL
17 TO BE ENTITLED
18 AN ACT

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20 To add Section 40-18-15.6, Code of Alabama 1975;
21 relating to the Health Savings Account Contributions.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. Section 40-18-15.6, Code of Alabama 1975,
24 is added to read as follows:

25 "Section 40-18-15.6

26 "(a) For the purposes of this section, Health
27 Savings Account Contributions are defined as contributions

1 made by a taxpayer to his or her health savings account up to
2 the maximum amount allowed pursuant to 26 USC §223.

3 "(b) Alabama residents will be allowed to deduct
4 contributions made on or after January 1, 2017, by or on
5 behalf of such individual to a health savings account of such
6 individual to coincide with annual amount allotted by federal
7 law or regulation. Employer contributions are not includible
8 in an employee's income and are therefore not deductible."

9 Section 2. All laws or parts of laws which conflict
10 with this act are hereby repealed.

11 Section 3. This act shall become effective for the
12 taxable years beginning after December 31, 2016, and following
13 its passage and approval by the Governor, or upon its
14 otherwise becoming law.