

**141.062 Premiums paid for health insurance to be treated as income tax credit.**

- (1) The amount of premiums paid for health insurance shall be treated as an income tax credit for state income tax purposes, and as a credit against the limited liability entity tax imposed by KRS 141.0401, with the ordering of the credits as provided in KRS 141.0205, as follows:
  - (a) Twenty percent (20%) of the first year premium;
  - (b) Fifteen percent (15%) of the second year premium;
  - (c) Ten percent (10%) of the third year premium; and
  - (d) Five percent (5%) of the fourth year premium.
- (2) No employer or employee shall be eligible for the income tax credits enumerated in this section unless:
  - (a) Premiums are paid into the trust prior to July 1, 1992;
  - (b) Fifty (50) or fewer employees are employed;
  - (c) No health insurance benefits have been provided by the employer during the three (3) years preceding the date premiums are initially paid to the trust;
  - (d) Employers maintain participation in the trust for all full-time and part-time employees for a period of four (4) continuous years; and
  - (e) Employers pay at least fifty percent (50%) of the premium.

**Effective:** June 28, 2006

**History:** Amended 2006 (1st Extra. Sess.) Ky. Acts ch. 2, sec. 16, effective June 28, 2006. -- Created 1990 Ky. Acts ch. 482, sec. 21, effective July 13, 1990.

**Legislative Research Commission Note** (6/28/2006). 2006 (1st Extra Sess.) Ky. Acts ch. 2, sec. 73, provides that "unless a provision of this Act specifically applies to an earlier tax year, the provisions of this Act shall apply to taxable years beginning on or after January 1, 2007."