

290.0678 HEALTH INSURANCE PREMIUMS CREDIT.

Subdivision 1. **Credit allowed.** (a) An individual is allowed a credit against the tax due under this chapter equal to 20 percent of the health insurance premiums paid from a plan under section 125 of the Internal Revenue Code. The credit is allowed only for premiums paid after the individual has not had coverage under a health care plan for at least one year, and is allowed only for the first 12 months in which an individual participates in the Section 125 Plan.

(b) For a nonresident or part-year resident, the credit determined under this section must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

Subd. 2. **Limitations.** The credit is allowed only for individuals with household income for the taxable year between:

(1) 275 percent and 300 percent of the federal poverty guidelines for the applicable family size if the individual has dependents; or

(2) 200 percent and 275 percent of the federal poverty guidelines for the applicable family size if the individual has no dependents.

Subd. 3. **Definitions.** For purposes of this section, "household income" means income as defined in section 290.067, subdivision 2a, and "dependent" has the meaning given in section 152 of the Internal Revenue Code.

Subd. 4. **Statement of premiums paid.** Upon receiving a written request from an employee, an employer must provide a statement that shows the amount of health insurance premiums attributable to that employee paid from the Section 125 Plan for each month of the taxable year that is included in the employee's first 12 months of coverage under the Section 125 Plan, provided that the employee making the request did not have coverage under a health care plan offered by the employer for the 12 months preceding the date on which the employee began participating in the Section 125 Plan. An employee may only make one request under this subdivision for each taxable year.

Subd. 5. **Transfer.** Beginning in fiscal year 2010 and in each following fiscal year, the amount necessary to pay the credits under this section is transferred from the health care access fund to the general fund.

History: 2009 c 3 s 1; 2009 c 88 art 12 s 4