

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1083 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 health.
- 4 Page 1, delete lines 1 through 17, begin a new paragraph and insert:
- 5 "SECTION 1. IC 6-3-2-21 IS ADDED TO THE INDIANA CODE
- 6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
- 7 JANUARY 1, 2007 (RETROACTIVE)]: **Sec. 21. (a) As used in this**
- 8 **section, "dependent" means:**
- 9 (1) a dependent as defined in Section 152 of the Internal
- 10 Revenue Code; or
- 11 (2) a person whom an individual has a legal obligation to
- 12 support, regardless of the percentage of the person's support
- 13 the individual provides.
- 14 (b) As used in this section, "health insurance" means insurance
- 15 as described in Section 213(d)(1)(D) of the Internal Revenue Code,
- 16 except that the term does not include the following:
- 17 (1) A qualified long term care policy (as defined in
- 18 IC 12-15-39.6-5).
- 19 (2) Medicare (Title XVIII of the Social Security Act (42 U.S.C.
- 20 1395 et seq.)).
- 21 (3) A Medicare supplement policy (as defined in
- 22 IC 27-8-13-3).
- 23 (4) A policy issued under IC 27-8-10 by the Indiana
- 24 comprehensive health insurance association.

1 **(5) Group health insurance offered through an employer.**

2 **(c) Subject to subsection (d), an individual is entitled to a**
 3 **deduction from adjusted gross income in each taxable year for**
 4 **amounts spent by the individual during the taxable year on health**
 5 **insurance for the individual, the individual's spouse, or a**
 6 **dependent of the individual. The deduction provided by this**
 7 **subsection is allowable regardless of whether the health insurance**
 8 **is obtained on an individual basis or, except as provided in**
 9 **subsection (b)(5), on a group basis.**

10 **(d) The deduction provided under this section is allowable only**
 11 **to the extent that the amounts spent by the individual on health**
 12 **insurance as described in subsection (c) have not otherwise been:**

13 **(1) excluded from the computation of federal gross income as**
 14 **defined in Section 61 of the Internal Revenue Code; or**

15 **(2) deducted in the computation of federal adjusted gross**
 16 **income under Section 62 of the Internal Revenue Code."**

17 Delete pages 2 through 7.

18 Page 8, delete lines 1 through 37.

19 Page 9, delete lines 7 through 13.

20 Page 9, line 14, delete "3." and insert "2."

21 Page 9, line 19, delete "4." and insert "3."

22 Page 9, line 22, delete "5." and insert "4."

23 Page 10, line 5, delete "6." and insert "5."

24 Page 10, line 11, delete "7." and insert "6."

25 Page 10, line 19, delete "8." and insert "7."

26 Page 10, line 24, delete "9." and insert "8."

27 Page 10, line 42, delete "10." and insert "9."

28 Page 11, line 2, delete "9" and insert "8".

29 Page 11, line 7, delete "11." and insert "10."

30 Page 11, line 8, delete "9" and insert "8".

31 Page 11, line 16, delete "12." and insert "11."

32 Page 11, line 24, delete "13." and insert "12."

33 Page 11, line 31, delete "14." and insert "13."

34 Page 11, line 40, delete "9" and insert "8".

35 Page 11, delete lines 41 through 42, begin a new paragraph and
 36 insert:

37 "SECTION 3. IC 6-3.1-32 IS ADDED TO THE INDIANA CODE
 38 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 2008]:

40 **Chapter 32. Worksite Health Promotion Tax Credit Pilot**
 41 **Project**

42 **Sec. 1. As used in this chapter, "certified employer" means an**
 43 **employer certified by the state department of health under**
 44 **IC 16-46-13-5.**

45 **Sec. 2. As used in this chapter, "pass through entity" means a:**
 46 **(1) corporation that is exempt from the adjusted gross income**

- 1 tax under IC 6-3-2-2.8(2);
 2 (2) partnership;
 3 (3) limited liability company; or
 4 (4) limited liability partnership.

5 Sec. 3. As used in this chapter, "qualified health promotion
 6 expenses" means costs that a certified employer incurs in making
 7 a worksite health promotion program available to the certified
 8 employer's Indiana employees.

9 Sec. 4. As used in this chapter, "state tax liability" means a
 10 taxpayer's total tax liability that is incurred under:

- 11 (1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);
 12 (2) IC 6-5.5 (financial institutions tax); and
 13 (3) IC 27-1-18-2 (insurance premiums tax);

14 as computed after the application of the credits that under
 15 IC 6-3.1-1-2 are to be applied before the credit provided by this
 16 chapter.

17 Sec. 5. As used in this chapter, "taxpayer" means:

- 18 (1) a certified employer that has state tax liability; or
 19 (2) if the certified employer is a pass through entity, a
 20 shareholder, partner, or member of the certified employer.

21 Sec. 6. As used in this chapter, "worksite health promotion
 22 program" has the meaning set forth in IC 16-46-13-3.

23 Sec. 7. For purposes of this chapter, the number of employees
 24 with access to a certified employer's worksite health promotion
 25 program during a taxable year is the average number of the
 26 certified employer's employees who are employed in Indiana
 27 during the taxable year, as determined under STEP THREE of the
 28 following formula:

29 STEP ONE: For each month in a taxable year in which a
 30 certified employer makes a worksite health promotion
 31 program available to the certified employer's employees in
 32 Indiana for at least fifteen (15) regular business days in the
 33 month, determine the number of employees of the certified
 34 employer who are employed in Indiana on the last day of the
 35 month.

36 STEP TWO: Determine the sum of the STEP ONE amounts.

37 STEP THREE: Divide the STEP TWO result by the number
 38 of months in the taxable year in which the certified employer
 39 makes a worksite health promotion program available to the
 40 certified employer's employees in Indiana for at least fifteen
 41 (15) regular business days in the month, rounding the result
 42 to the nearest whole number.

43 Sec. 8. For each taxable year, the maximum allowable tax credit
 44 against state tax liability to which a certified employer may be
 45 entitled for providing a worksite health promotion program is the
 46 amount determined under STEP THREE of the following formula:

47 STEP ONE: Multiply the number of employees with access to

1 the worksite health promotion program in the taxable year by
2 fifty dollars (\$50).

3 **STEP TWO:** Divide the number of months in the taxable year
4 in which the certified employer makes a worksite health
5 promotion program available to the certified employer's
6 employees in Indiana for at least fifteen (15) regular business
7 days in the month by the number of months in the taxable
8 year, rounding the result to the nearest one-hundredth (0.01).

9 **STEP THREE:** Multiply the STEP ONE amount by the STEP
10 TWO amount, rounding the result to the nearest whole dollar.

11 **Sec. 9.** A certified employer is entitled to a worksite health
12 promotion program credit against the certified employer's state
13 tax liability in the amount determined under STEP THREE of the
14 following formula:

15 **STEP ONE:** Determine the certified employer's maximum
16 allowable tax credit for the certified employer's worksite
17 health promotion program for the taxable year under STEP
18 THREE of section 8 of this chapter.

19 **STEP TWO:** Determine the certified employer's qualified
20 health promotion expenses for the taxable year.

21 **STEP THREE:** Determine the lesser of the STEP ONE
22 amount or the STEP TWO amount.

23 **Sec. 10.** If a certified employer is a pass through entity that does
24 not have state income tax liability against which any part of the
25 worksite health promotion program credit may be applied, a
26 shareholder, partner, or member of the pass through entity is
27 entitled to a worksite health promotion program credit equal to the
28 amount determined under STEP THREE of the following formula:

29 **STEP ONE:** Determine the certified employer's tax credit for
30 the certified employer's worksite health promotion program
31 for the taxable year under section 9 of this chapter.

32 **STEP TWO:** Determine the percentage of the pass through
33 entity's distributive income to which the shareholder, partner,
34 or member is entitled.

35 **STEP THREE:** Multiply the STEP ONE amount by the STEP
36 TWO amount.

37 **Sec. 11. (a)** If the amount determined under STEP THREE of
38 section 9 of this chapter or STEP THREE of section 10 of this
39 chapter for a taxpayer in a taxable year exceeds the taxpayer's
40 state tax liability for that taxable year, the taxpayer may not carry
41 the excess over to the following taxable years.

42 **(b)** A taxpayer is not entitled to a carryback or refund of any
43 unused credit.

44 **Sec. 12.** To receive the credit provided by this chapter, a
45 taxpayer must claim the credit on the taxpayer's state tax return
46 or returns in the manner prescribed by the department. The
47 taxpayer must submit to the department all information that the

1 department determines is necessary for the calculation of the credit
 2 provided by this chapter and for the determination of the
 3 taxpayer's eligibility for the credit.

4 **Sec. 13. This chapter expires December 31, 2009.**

5 SECTION 4. IC 16-46-13 IS ADDED TO THE INDIANA CODE
 6 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2008]:

8 **Chapter 13. Worksite Health Promotion Programs**

9 **Sec. 1. As used in this chapter, "eligible employer" means an**
 10 **individual or entity that employs not more than five hundred (500)**
 11 **employees.**

12 **Sec. 2. As used in this chapter, "health literacy" means the**
 13 **degree to which individuals have the capacity to obtain, process,**
 14 **and understand basic health information and services needed to**
 15 **make decisions consistent with good health.**

16 **Sec. 3. As used in this chapter, "worksite health promotion**
 17 **program" refers to a program of an eligible employer conducted**
 18 **in Indiana that is certified by the state department to conform with**
 19 **the rules adopted under section 4 of this chapter.**

20 **Sec. 4. (a) Subject to subsection (b), the state department shall**
 21 **adopt rules under IC 4-22-2 for the certification of worksite health**
 22 **promotion programs.**

23 **(b) The rules must provide for certification of worksite health**
 24 **promotion programs that assist and encourage employees to make**
 25 **decisions consistent with good health. The rules must clearly**
 26 **indicate the appropriate elements that must be included in any**
 27 **worksite health promotion program for that program to be eligible**
 28 **for certification for purposes of IC 6-3.1-32. These elements must**
 29 **be based on the following health objectives:**

30 **(1) Increased physical activity.**

31 **(2) Beneficial dietary habits.**

32 **(3) Increased use of preventive health screenings.**

33 **(4) Healthy decisions concerning alcohol, tobacco, drugs, and**
 34 **safety.**

35 **(5) Increased health literacy.**

36 **Sec. 5. (a) For a worksite health promotion program to be**
 37 **certified under this chapter, an eligible employer must file an**
 38 **application for certification of the eligible employer's worksite**
 39 **health promotion program with the state department. The state**
 40 **department shall prescribe the form and content of the application.**

41 **(b) The state department may not certify more than one**
 42 **hundred (100) eligible employers under this chapter.**

43 **(c) If the state department approves the application, the state**
 44 **department shall issue a certificate to the eligible employer for the**
 45 **taxable year.**

46 **Sec. 6. The state department may annually request information**
 47 **from an eligible employer concerning the efficacy of the eligible**

1 **employer's worksite health promotion program certified under**
2 **section 5 of this chapter.**

3 SECTION 5. IC 27-8-5-2, AS AMENDED BY P.L.125-2005,
4 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2007]: Sec. 2. (a) No individual policy of accident and
6 sickness insurance shall be delivered or issued for delivery to any
7 person in this state unless it complies with each of the following:

8 (1) The entire money and other considerations for the policy are
9 expressed in the policy.

10 (2) The time at which the insurance takes effect and terminates is
11 expressed in the policy.

12 (3) The policy purports to insure only one (1) person, except that
13 a policy may insure, originally or by subsequent amendment,
14 upon the application of any member of a family who shall be
15 deemed the policyholder and who is at least eighteen (18) years
16 of age, any two (2) or more eligible members of that family,
17 including husband, wife, dependent children, or any children
18 ~~under a specified age, which shall not exceed nineteen (19) who~~
19 **are less than twenty-four (24) years of age**, and any other person
20 dependent upon the policyholder.

21 (4) The style, arrangement, and overall appearance of the policy
22 give no undue prominence to any portion of the text, and unless
23 every printed portion of the text of the policy and of any
24 endorsements or attached papers is plainly printed in lightface
25 type of a style in general use, the size of which shall be uniform
26 and not less than ten point with a lower-case unspaced alphabet
27 length not less than one hundred and twenty point (the "text" shall
28 include all printed matter except the name and address of the
29 insurer, name or title of the policy, the brief description if any,
30 and captions and subcaptions).

31 (5) The exceptions and reductions of indemnity are set forth in the
32 policy and, except those which are set forth in section 3 of this
33 chapter, are printed, at the insurer's option, either included with
34 the benefit provision to which they apply, or under an appropriate
35 caption such as "EXCEPTIONS", or "EXCEPTIONS AND
36 REDUCTIONS", provided that if an exception or reduction
37 specifically applies only to a particular benefit of the policy, a
38 statement of such exception or reduction shall be included with
39 the benefit provision to which it applies.

40 (6) Each such form of the policy, including riders and
41 endorsements, shall be identified by a form number in the lower
42 left-hand corner of the first page of the policy.

43 (7) The policy contains no provision purporting to make any
44 portion of the charter, rules, constitution, or bylaws of the insurer
45 a part of the policy unless such portion is set forth in full in the
46 policy, except in the case of the incorporation of or reference to

1 a statement of rates or classification of risks, or short-rate table
2 filed with the commissioner.

3 (8) If an individual accident and sickness insurance policy or
4 hospital service plan contract or medical service plan contract
5 provides that hospital or medical expense coverage of a
6 dependent child terminates upon attainment of the limiting age for
7 dependent children specified in such policy or contract, the policy
8 or contract must also provide that attainment of such limiting age
9 does not operate to terminate the hospital and medical coverage
10 of such child while the child is and continues to be both:

11 (A) incapable of self-sustaining employment by reason of
12 mental retardation or mental or physical disability; and

13 (B) chiefly dependent upon the policyholder for support and
14 maintenance.

15 Proof of such incapacity and dependency must be furnished to the
16 insurer by the policyholder within thirty-one (31) days of the child's
17 attainment of the limiting age. The insurer may require at reasonable
18 intervals during the two (2) years following the child's attainment of the
19 limiting age subsequent proof of the child's disability and dependency.
20 After such two (2) year period, the insurer may require subsequent
21 proof not more than once each year. The foregoing provision shall not
22 require an insurer to insure a dependent who is a mentally retarded or
23 mentally or physically disabled child where such dependent does not
24 satisfy the conditions of the policy provisions as may be stated in the
25 policy or contract required for coverage thereunder to take effect. In
26 any such case, the terms of the policy or contract shall apply with
27 regard to the coverage or exclusion from coverage of such dependent.
28 This subsection applies only to policies or contracts delivered or issued
29 for delivery in this state more than one hundred twenty (120) days after
30 August 18, 1969.

31 (b) If any policy is issued by an insurer domiciled in this state for
32 delivery to a person residing in another state, and if the official having
33 responsibility for the administration of the insurance laws of such other
34 state shall have advised the commissioner that any such policy is not
35 subject to approval or disapproval by such official, the commissioner
36 may by ruling require that such policy meet the standards set forth in
37 subsection (a) and in section 3 of this chapter.

38 (c) An insurer may issue a policy described in this section in
39 electronic or paper form. However, the insurer shall:

40 (1) inform the insured that the insured may request the policy in
41 paper form; and

42 (2) issue the policy in paper form upon the request of the insured.

43 SECTION 6. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]
44 **IC 6-3-2-21, as added by this act, applies only to taxable years**
45 **beginning after December 31, 2006.**

46 SECTION 7. [EFFECTIVE JANUARY 1, 2008] **IC 6-3.1-31 and**

- 1 **IC 6-3.1-32, both as added by this act, apply only to taxable years**
- 2 **beginning after December 31, 2007.**
- 3 **SECTION 8. An emergency is declared for this act."**
- 4 Delete page 12.
- 5 Renumber all SECTIONS consecutively.
(Reference is to HB 1083 as printed February 20, 2007.)

Representative Espich