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GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL DRS15385-NIf-188

Short Title:	Health Insurance Premium Tax Credit.	(Public)
Sponsors:	Senator Bradley (Primary Sponsor).	
Referred to:		

A BILL TO BE ENTITLED

AN ACT TO CREATE A TAX CREDIT FOR BUSINESSES THAT PROVIDE WAGES FOR EMPLOYEE HEALTH INSURANCE PREMIUMS.

The General Assembly of North Carolina enacts:

SECTION 1. Part 2 of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"**§ 105-153.13. Tax credit for businesses that provide wages for employee health insurance premiums.**

(a) Definitions. – The following definitions apply in this section:

(1) Eligible business. – A business with a physical presence in the State that has eligible expenses.

(2) Eligible expenses. – Wages paid by an eligible business to a qualifying employee for the payment of an employee's health insurance premiums.

(3) Qualifying employee. – An individual employed (i) for consideration for at least 35 hours a week and whose wages are subject to withholding under Article 4A of this Chapter and (ii) by an eligible business.

(b) Credit. – A taxpayer who is an eligible business is allowed a credit against the tax imposed by this Part in an amount not to exceed four hundred dollars ($400.00) per qualifying employee.

(c) Aggregate Limitation. – The total amount of credits allowed pursuant to this section may not exceed in the aggregate five million dollars ($5,000,000) for all taxpayers for any one calendar year.

(d) Application. – An eligible business seeking to claim a tax credit provided for under this section shall submit an application to the Department of Revenue for tentative approval for the tax credit in the year for which the tax credit is claimed or allowed. Applications shall be accepted on a first-come, first-served basis. The Department of Revenue shall provide for the manner in which the application is to be submitted and the information required in the application which shall include, at a minimum, proof of the applicant business's eligible expenses. The Department of Revenue shall review the application and tentatively shall approve the application upon determining that it meets the requirements of this section by January 31 of the year after the application was submitted. If the credit amounts on the tax credit applications filed with the Department of Revenue exceed the maximum aggregate limit of tax credits, then the tax credit must be allocated among the eligible business entities who filed a timely application on a first-come, first-served basis based upon the amounts otherwise allowed by this section. Once the tax credit application has been approved and the amount has been communicated to the

applicant, the eligible business then may apply the amount of the approved tax credit to its tax liability for the tax year of which the approved application applies.

(e) Report. – By March 31 of each year, the Department of Revenue shall report to the Joint Legislative Committee on Governmental Operations by county, the number of eligible business tax credit applications the Department has received, the number of tax credit applications approved, and the tax credits approved. This report must be made available in a conspicuous place on the Department's website."

SECTION 2. This act is effective for taxable years beginning on or after January 1, 2026.