

# Fiscal Analysis

SINGLE BUSINESS TAX; ELIMINATE HEALTH CARE COSTS FROM BASE



**Bill/Sponsor**            **HOUSE BILL 5041 As Introduced**, Rep. Leon Drolet  
**HOUSE BILL 5042 As Introduced**, Rep. Craig M. DeRoche  
**SENATE BILL 672 As Introduced**, Sen. Nancy Cassis  
**SENATE BILL 673 As Introduced**, Sen. Thomas George  
**SENATE BILL 674 As Introduced**, Sen. Shirley Johnson

**House Committee**      Tax Policy

**Analysis**                    **Summary**  
This package of bills, all of which are tie-barred to each other, would amend the Single Business Tax Act by eliminating from the tax base any health care costs paid by taxpayers. Each of the five bills would reduce the health care component of the tax base by one-fifth so that after five years health care costs would be completely eliminated.

**Fiscal Impact**  
Because the health care component is being phased out over a five year period, the full impact will not be felt until tax years that begin after December 31, 2007. Incrementally, the revenue reductions are estimated to be:

Tax Year	Bill	Fiscal Impact
2004	SB672	\$14.9 million
2005	SB673	\$36.8 million
2006	HB5041	\$61.2 million
2007	HB5042	\$88.5 million
2008	SB674	\$118.8 million

**Analyst(s)**  
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COMMITTEE ANALYSIS - 12/8/03

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