



General Assembly

February Session, 2014

Raised Bill No. 12

LCO No. 62



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

***AN ACT ESTABLISHING A TAX CREDIT FOR LONG-TERM CARE
INSURANCE PREMIUM PAYMENTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2014, and applicable to taxable years*
2 *commencing on or after January 1, 2014*) (a) There shall be allowed a tax
3 credit against the tax imposed under chapter 229 of the general statutes
4 other than the liability imposed under section 12-707 of the general
5 statutes, for premiums paid or incurred by a person for an individual
6 long-term care insurance policy that provides benefits in this state.

7 (b) The credit allowed pursuant to this section shall be equal to
8 fifteen per cent of the total amount of long-term care insurance
9 premiums paid or incurred during the taxable year, up to a maximum
10 of five hundred dollars per policy, and may be claimed as follows:
11 Persons who file under the state income tax for such taxable year as (1)
12 unmarried individuals, married individuals filing separately or heads
13 of household may claim one such credit; and (2) married individuals
14 filing jointly may claim one such credit per individual long-term care
15 insurance policy, up to a maximum of two such policies.

16 (c) The credit may only be used to reduce such person's tax liability
17 under chapter 229 of the general statutes for the year in which such
18 credit is applicable. In no event shall such credit be used to reduce
19 such tax liability to less than zero.

20 (d) The amount of tax due pursuant to sections 12-705 and 12-722 of
21 the general statutes shall be calculated without regard to the credit
22 under this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2014, and applicable to taxable years commencing on or after January 1, 2014</i>	New section

Statement of Purpose:

To establish a tax credit for premiums paid for individual long-term care insurance policies.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]