

# OFFICE OF FISCAL ANALYSIS

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sHB-6577

## AN ACT CONCERNING LONG-TERM CARE INSURANCE PREMIUM RATES.

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### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Revenue Serv., Dept.	GF - Revenue Loss	16.1 million	16.5 million
Revenue Serv., Dept.	GF - Cost	Up to 75,000	None

Note: GF=General Fund

**Municipal Impact:** None

#### **Explanation**

The bill, which establishes a personal income tax deduction for long-term care insurance premiums, results in a (1) General Fund revenue loss of \$16.1 million in FY 24 and \$16.5 million in FY 25, and (2) one-time cost of up to \$75,000 in FY 24 for programming updates to the CTax tax administration system and myconneCT online portal, and for form development.

The bill also requires long-term care insurers (i.e., private entities) to hold a public hearing and notify policyholders about it before implementing certain premium rate increases. There is no fiscal impact to the state or municipalities from these provisions as they affect private entities.

#### **The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation in long-term care insurance

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premiums.