

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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**HOUSE BILL 2404\***  
**Committee Substitute Favorable 7/2/08**

Short Title: Increase Long-Term Care Insurance Tax Credit.

(Public)

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Sponsors:

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Referred to:

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May 26, 2008

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE LONG-TERM CARE INSURANCE TAX CREDIT.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-151.28 reads as rewritten:

**"§ 105-151.28. (Repealed for taxable years beginning on or after January 1, 2013)**

**Credit for premiums paid on long-term care insurance.**

(a) Credit. – A taxpayer whose adjusted gross income (AGI), as calculated under the Code, is less than the amount listed in this section is allowed, as a credit against the tax imposed by this Part, an amount equal to ~~fifteen percent (15%)~~ seventy-five percent (75%) of the premium costs the taxpayer paid during the taxable year on a qualified long-term care insurance contract that offers coverage to either the taxpayer, the taxpayer's spouse, or a dependent for whom the taxpayer was allowed to deduct a personal exemption under section 151(c) of the Code for the taxable year. The credit allowed by this section may not exceed ~~three hundred fifty dollars (\$350.00)~~ one thousand dollars (\$1,000) for each qualified long-term care insurance contract for which a credit is claimed. The credit allowed under this section may not exceed the amount of tax imposed by this Part for the taxable year reduced by the sum of all credits allowed, except payments of tax made by or on behalf of the taxpayer. A nonresident or part-year resident who claims the credit allowed by this subsection shall reduce the amount of the credit by multiplying it by the fraction calculated under G.S. 105-134.5(b) or (c), as appropriate.

**Filing Status**

**AGI**

Married, filing jointly

~~\$100,000~~ \$200,000

Head of Household

~~80,000~~ 150,000

Single

~~60,000~~ 100,000

Married, filing separately

~~50,000~~ 100,000

(b) No Double Benefit. – No credit is allowed for payments that are deducted from, or not included in, the taxpayer's gross income for the taxable year. If the taxpayer claimed a deduction for health insurance costs of self-employed individuals under

1 section 162(l) of the Code for the taxable year, the amount of credit otherwise allowed  
2 the taxpayer under this section is reduced by the applicable percentage provided in  
3 section 162(l) of the Code. If the taxpayer claimed a deduction for medical care  
4 expenses under section 213 of the Code for the taxable year, the taxpayer is not allowed  
5 a credit under this section. A taxpayer who claims the credit allowed by this section  
6 must provide any information required by the Secretary to demonstrate that the amount  
7 paid for premiums for which the credit is claimed was not excluded from the taxpayer's  
8 gross income for the taxable year.

9 (c) Definition. – For purposes of this section, the term "qualified long-term care  
10 insurance contract" has the same meaning as defined in section 7702B of the Code.

11 (d) Sunset. – This section is repealed for taxable years beginning on or after  
12 January 1, 2013."

13 **SECTION 2.** This act is effective for taxable years beginning on or after  
14 January 1, 2009.