

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1808*

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

Sponsors: Senators Malone, Dorsett, Forrester; Allran, Atwater, Dannelly, Goss,
Jones, McKissick, Purcell, and Stevens.

Referred to: Finance.

May 21, 2008

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE LONG-TERM CARE INSURANCE TAX CREDIT AS
RECOMMENDED BY THE STUDY COMMISSION ON AGING.

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 (Repealed for taxable years beginning on or after January 1, 2013)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
Head of Household	80,000
Single	60,000
Married, filing separately	50,000

1 (b) No Double Benefit. – No credit is allowed for payments that are deducted
2 from, or not included in, the taxpayer's gross income for the taxable year. If the taxpayer
3 claimed a deduction for health insurance costs of self-employed individuals under
4 section 162(l) of the Code for the taxable year, the amount of credit otherwise allowed
5 the taxpayer under this section is reduced by the applicable percentage provided in
6 section 162(l) of the Code. If the taxpayer claimed a deduction for medical care
7 expenses under section 213 of the Code for the taxable year, the taxpayer is not allowed
8 a credit under this section. A taxpayer who claims the credit allowed by this section
9 must provide any information required by the Secretary to demonstrate that the amount
10 paid for premiums for which the credit is claimed was not excluded from the taxpayer's
11 gross income for the taxable year.

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

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 – This section is repealed for taxable years beginning on or after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

16 **SECTION 2.** This act is effective taxable years beginning on or after
17 January 1, 2009.