

# HB4403



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4403

Introduced 1/16/2024, by Rep. Anna Moeller

### SYNOPSIS AS INTRODUCED:

35 ILCS 5/241 new

Amends the Illinois Income Tax Act. Creates an income tax credit in an amount equal to 100% of the State and federal income, estate, and gift taxes incurred by the taxpayer during the taxable year as a result of a liquidation of assets by the taxpayer in order to allow the taxpayer to qualify for Medicaid long-term care assistance. Effective immediately.

LRB103 35453 HLH 65522 b

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by  
5 adding Section 241 as follows:

6 (35 ILCS 5/241 new)

7 Sec. 241. Credit for Medicaid long-term care.

8 (a) For taxable years ending on or after December 31,  
9 2024, each individual taxpayer is entitled to a nonrefundable  
10 credit against the taxes imposed by subsections (a) and (b) of  
11 Section 201 in an amount equal to 100% of the State and federal  
12 income, estate, and gift taxes incurred by the taxpayer during  
13 the taxable year as a result of a liquidation of assets by the  
14 taxpayer in order to allow the taxpayer to qualify for  
15 Medicaid long-term care assistance. This credit shall apply to  
16 a single individual or a married couple as long as the  
17 countable assets are reduced to the levels specified in the  
18 Medicaid asset limits. This credit shall apply only for the  
19 tax year in which (i) assets are liquidated and spent down to  
20 the levels specified in the Medicaid asset limits and (ii) the  
21 taxpayer enters or remains in a nursing home or a supportive  
22 living facility and meets the qualifications for Medicaid  
23 assistance under the Medicaid asset limits. This credit does

1 not apply if the taxpayer's spouse is entitled to the  
2 Community Spouse Maintenance Needs Allowance.

3 (b) In no event shall a credit under this Section reduce  
4 the taxpayer's liability to less than zero. If the amount of  
5 the credit exceeds the tax liability for the year, the excess  
6 may be carried forward and applied to the tax liability of the  
7 5 taxable years following the excess credit year. The tax  
8 credit shall be applied to the earliest year for which there is  
9 a tax liability. If there are credits for more than one year  
10 that are available to offset a liability, the earlier credit  
11 shall be applied first.

12 (c) This Section is exempt from the provisions of Section  
13 250.

14 Section 99. Effective date. This Act takes effect upon  
15 becoming law.