



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**

Introduced 2/6/2004, by John E. Bradley

**SYNOPSIS AS INTRODUCED:**

5 ILCS 5/216 new

Amends the Illinois Income Tax Act. Provides that, for 5 taxable years, each individual taxpayer is entitled to an income tax credit in the amount of 50% of the amount spent by the taxpayer in the taxable year for long-term care insurance premiums. Provides that the tax credit may not reduce the taxpayer's liability to less than zero but may be carried forward for 5 taxable years. Effective immediately.

LRB093 16207 SJM 41840 b

FISCAL NOTE ACT  
MAY APPLY

1 AN ACT concerning taxes.

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 adding  
5 Section 216 as follows:

6 (5 ILCS 5/216 new)

7 Sec. 216. Long-term care insurance tax credit.

8 (a) For taxable years ending on or after December 31, 2004  
9 and ending on or before December 30, 2009, each individual  
10 taxpayer is entitled to a credit against the tax imposed by  
11 subsections (a) and (b) of Section 201 in the amount of 50% of  
12 the amount spent by the taxpayer in the taxable year for  
13 long-term care insurance premiums. The tax credit may not  
14 reduce the taxpayer's liability to less than zero.

15 (b) If the amount of the credit exceeds the tax liability  
16 for the year, the excess may be carried forward and applied to  
17 the tax liability of the 5 taxable years following the excess  
18 credit year. The credit shall be applied to the earliest year  
19 for which there is a tax liability. If there are credits from  
20 more than one tax year that are available to offset a  
21 liability, the earlier credit shall be applied first.

22 (c) For purposes of this Section, "long-term care insurance  
23 premium" means the amount paid during a taxable year for any  
24 qualified long-term care insurance contract, as defined in  
25 Section 7702B(b) of the Internal Revenue Code, covering an  
26 individual.

27 Section 99. Effective date. This Act takes effect upon  
28 becoming law.