



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB4378

Introduced 1/4/2006, by Rep. Carolyn H. Krause

SYNOPSIS AS INTRODUCED:

35 ILCS 5/216 new

Amends the Illinois Income Tax Act. Allows an income tax credit in an amount equal to 15% of the premium costs paid for a qualified long term care insurance contract covering the individual taxpayer or the taxpayer's spouse, parent, or dependent. Provides that the credit may not exceed \$200 or the taxpayer's liability, whichever is less. Prohibits the carry forward of an excess tax credit to a succeeding year's tax liability. Exempts the credit from the sunset provisions. Effective immediately.

LRB094 15700 BDD 50909 b

FISCAL NOTE ACT
MAY APPLY

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 adding
5 Section 216 as follows:

6 (35 ILCS 5/216 new)

7 Sec. 216. Tax credit for long term care insurance premiums.
8 For taxable years ending on or after December 31, 2006, an
9 individual taxpayer is entitled to a credit against the tax
10 imposed by subsections (a) and (b) of Section 201 in an amount
11 equal to 15% of the premium costs paid by the taxpayer during
12 the taxable year for a qualified long term care insurance
13 contract, as defined by Section 7702B of the Internal Revenue
14 Code, that offers coverage to either the individual or the
15 individual's spouse, parent, or dependent, as defined in
16 Section 152 of the Internal Revenue Code. The credit allowed
17 under this Section may not exceed \$200 for each qualified long
18 term care policy or the amount of the taxpayer's liability
19 under this Act, whichever is less. A taxpayer is not entitled
20 to the credit with respect to amounts expended for the same
21 qualified long term care insurance contract that are claimed by
22 another taxpayer. If the amount of the credit exceeds the
23 taxpayer's liability under this Act for the year, then the
24 excess may not be carried forward to apply to the taxpayer's
25 liability for the succeeding year. The provisions of Section
26 250 do not apply to the credit under this Section.

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