SB2173

LRB09415894BDD51116b

94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2173

Introduced 1/4/2006, by Sen. William E. Peterson

SYNOPSIS AS INTRODUCED:

35 ILCS 5/216 new

Amends the Illinois Income Tax Act. Allows a tax credit for individual taxpayers in an amount equal to 25% of the premium costs paid by the taxpayer during the taxable year for each qualified long-term care insurance contract purchased on or after January 1, 2006 that offers coverage to either the taxpayer or to the taxpayer's spouse, parent, or dependent. Provides that the credit may not exceed $100 for each qualified long-term care policy. Provides that the credit may not reduce the taxpayer's liability to less than zero and may not be carried forward. Provides that a taxpayer is not entitled to the credit with respect to amounts expended for the same qualified long-term care insurance contract that are claimed by another taxpayer. Effective immediately.

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FISCAL NOTE ACT
MAY APPLY

A BILL FOR

AN ACT concerning revenue.

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

Section 5. The Illinois Income Tax Act is amended by adding Section 216 as follows:

(35 ILCS 5/216 new)

<u>Sec. 216. Tax credit for long-term care insurance premiums. For taxable years ending on or after December 31, 2006 and ending on or before December 30, 2011, each individual taxpayer is entitled to a credit against the tax imposed by subsections (a) and (b) of Section 201 in an amount equal to 25% of the premium costs paid by the taxpayer during the taxable year for each qualified long-term care insurance contract, as defined by Section 7702B of the Internal Revenue Code, purchased on or after January 1, 2006 that offers coverage to either the taxpayer or to the taxpayer's spouse, parent, or dependent, as defined in Section 152 of the Internal Revenue Code. The credit allowed under this Section may not exceed $100 for each qualified long-term care policy or the amount of the taxpayer's liability under this Act, whichever is less. If the amount of the credit exceeds the taxpayer's liability under this Act for the year, then the excess may not reduce the taxpayer's liability to less than zero and may not be carried forward to apply to the taxpayer's liability for any succeeding year. A taxpayer is not entitled to the credit with respect to amounts expended for the same qualified long-term care insurance contract that are claimed by another taxpayer.</u>

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