



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB1996

Introduced 2/26/2007, by Rep. Michael K. Smith

SYNOPSIS AS INTRODUCED:

35 ILCS 5/218 new

Amends the Illinois Income Tax Act. Allows an income tax credit in an amount equal to 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 \$1,000 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.

LRB095 08452 BDD 28629 b

FISCAL NOTE ACT
MAY APPLY

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 adding
5 Section 218 as follows:

6 (35 ILCS 5/218 new)

7 Sec. 218. Tax credit for long term care insurance premiums.
8 For taxable years ending on or after December 31, 2007, 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 the premium costs paid by the taxpayer during the
12 taxable year for a qualified long term care insurance contract
13 as defined by Section 7702B of the Internal Revenue Code that
14 offers coverage to either the individual or the individual's
15 spouse, parent, or dependent as defined in Section 152 of the
16 Internal Revenue Code. The credit allowed under this Section
17 may not exceed \$1,000 for each qualified long term care policy
18 or the amount of the taxpayer's liability under this Act,
19 whichever is less. A taxpayer is not entitled to the credit
20 with respect to amounts expended for the same qualified long
21 term care insurance contract that are claimed by another
22 taxpayer. If the amount of the credit exceeds the taxpayer's
23 liability under this Act for the year, then the excess may not

1 be carried forward to apply to the taxpayer's liability for the
2 succeeding year. The provisions of Section 250 do not apply to
3 the credit under this Section.

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