S T A T E O F N E W Y O R K

2559

2011-2012 Regular Sessions

I N S E N A T E

January 25, 2011

Introduced by Sen. SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to long-term care insurance tax credits

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subdivision 1 of section 190 of the tax law, as amended by section 17 of part B of chapter 58 of the laws of 2004, is amended to read as follows:

1. General. A taxpayer shall be allowed a credit against the tax imposed by this article, other than the taxes and fees imposed by sections one hundred eighty and one hundred eighty-one of this article, equal to [twenty] SEVENTY-FIVE percent of the premium paid during the taxable year [for] IN WHICH THE long-term care insurance WAS PURCHASED, FIFTY PERCENT OF THE PREMIUM PAID IN THE FOLLOWING YEAR AND TWENTY-FIVE PERCENT OF THE PREMIUM PAID IN THE THIRD YEAR. In order to qualify for such credit, the taxpayer's premium payment must be for the purchase of or for continuing coverage under a long-term care insurance policy that qualifies for such credit pursuant to section one thousand one hundred seventeen of the insurance law.

S 2. Paragraph 1 of subsection (aa) of section 606 of the tax law, as amended by section 1 of part P of chapter 61 of the laws of 2005, is amended to read as follows:

(1) Residents. A taxpayer shall be allowed a credit against the tax imposed by this article equal to [twenty] SEVENTY-FIVE percent of the premium paid during the taxable year [for] IN WHICH THE long-term care insurance WAS PURCHASED, FIFTY PERCENT OF THE PREMIUM PAID IN THE FOLLOWING YEAR AND TWENTY-FIVE PERCENT OF THE PREMIUM PAID IN THE THIRD YEAR. In order to qualify for such credit, the taxpayer's premium payment must be for the purchase of or for continuing coverage under a

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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long-term care insurance policy that qualifies for such credit pursuant to section one thousand one hundred seventeen of the insurance law. If the amount of the credit allowable under this subsection for any taxable year shall exceed the taxpayer's tax for such year, the excess may be carried over to the following year or years and may be deducted from the taxpayer's tax for such year or years.

S 3. Paragraph 1 of subsection (k) of section 1456 of the tax law, as amended by section 20 of part B of chapter 58 of the laws of 2004, is amended to read as follows:

(1) A taxpayer shall be allowed a credit against the tax imposed by this article equal to [twenty] SEVENTY-FIVE percent of the premium paid during the taxable year [for] IN WHICH THE long-term care insurance WAS PURCHASED, FIFTY PERCENT OF THE PREMIUM PAID IN THE FOLLOWING YEAR AND TWENTY-FIVE PERCENT OF THE PREMIUM PAID IN THE THIRD YEAR. In order to qualify for such credit, the taxpayer's premium payment must be for the purchase of or for continuing coverage under a long-term care insurance policy that qualifies for such credit pursuant to section one thousand one hundred seventeen of the insurance law.

S 4. Paragraph 1 of subdivision (m) of section 1511 of the tax law, as amended by section 21 of part B of chapter 58 of the laws of 2004, is amended to read as follows:

(1) A taxpayer shall be allowed a credit against the tax imposed by this article equal to [twenty] SEVENTY-FIVE percent of the premium paid during the taxable year [for] IN WHICH THE long-term care insurance WAS PURCHASED, FIFTY PERCENT OF THE PREMIUM PAID IN THE FOLLOWING YEAR AND TWENTY-FIVE PERCENT OF THE PREMIUM PAID IN THE THIRD YEAR. In order to qualify for such credit, the taxpayer's premium payment must be for the purchase of or for continuing coverage under a long-term care insurance policy that qualifies for such credit pursuant to section one thousand one hundred seventeen of the insurance law.

S 5. Paragraph (a) of subdivision 25-a of section 210 of the tax law, as amended by section 18 of part B of chapter 58 of the laws of 2004, is amended to read as follows:

(a) A taxpayer shall be allowed a credit against the tax imposed by this article equal to [twenty] SEVENTY-FIVE percent of the premium paid during the taxable year [for] IN WHICH THE long-term care insurance WAS PURCHASED, FIFTY PERCENT OF THE PREMIUM PAID IN THE FOLLOWING YEAR AND TWENTY-FIVE PERCENT OF THE PREMIUM PAID IN THE THIRD YEAR. In order to qualify for such credit, the taxpayer's premium payment must be for the purchase of or for continuing coverage under a long-term care insurance policy that qualifies for such credit pursuant to section one thousand one hundred seventeen of the insurance law.

S 6. This act shall take effect immediately and shall apply to long-term care insurance contracts purchased or entered into on and after January 1, 2012.