

10088

I N   A S S E M B L Y

May 10, 2016

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Introduced by M. of A. SCHIMMINGER -- read once and referred to the  
Committee on Ways and Means

AN ACT to amend the tax law and the insurance law, in relation to the  
tax credit for the purchase of long-term care insurance

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

1     Section 1. Subdivision 1 of section 190 of the tax law, as amended by  
2     section 102 of part A of chapter 59 of the laws of 2014, is amended to  
3     read as follows:  
4     1. General. [A] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO  
5     THOUSAND SIXTEEN, A taxpayer shall be allowed a credit against the tax  
6     imposed by this article equal to twenty percent of the premium paid  
7     during the taxable year for long-term care insurance, AND FOR TAXABLE  
8     YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, A  
9     TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTI-  
10    CLE EQUAL TO TWENTY PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR  
11    FOR LONG-TERM CARE INSURANCE UNLESS THE PREMIUM FOR SUCH INSURANCE  
12    INCREASED DURING THE TAXABLE YEAR AND SUCH INCREASE WAS APPROVED AFTER  
13    APPLICATION TO AND BY THE DEPARTMENT OF FINANCIAL SERVICES, THEN THE  
14    AMOUNT OF CREDIT ALLOWED FOR SUCH INSURANCE SHALL BE TWENTY-FIVE PERCENT  
15    OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR SUCH INSURANCE. In order  
16    to qualify for such credit, the taxpayer's premium payment must be for  
17    the purchase of or for continuing coverage under a long-term care insur-  
18    ance policy that qualifies for such credit pursuant to section one thou-  
19    sand one hundred seventeen of the insurance law.  
20    S 2. Paragraph (a) of subdivision 14 of section 210-B of the tax law,  
21    as added by section 17 of part A of chapter 59 of the laws of 2014, is  
22    amended to read as follows:  
23    (a) General. [A] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO  
24    THOUSAND SIXTEEN, A taxpayer shall be allowed a credit against the tax  
25    imposed by this article equal to twenty percent of the premium paid  
26    during the taxable year for long-term care insurance, AND FOR TAXABLE  
27    YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, A  
28    TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTI-

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

LBD13528-02-6

1 CLE EQUAL TO TWENTY PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR  
2 FOR LONG-TERM CARE INSURANCE UNLESS THE PREMIUM FOR SUCH INSURANCE  
3 INCREASED DURING THE TAXABLE YEAR AND SUCH INCREASE WAS APPROVED AFTER  
4 APPLICATION TO AND BY THE DEPARTMENT OF FINANCIAL SERVICES, THEN THE  
5 AMOUNT OF CREDIT ALLOWED FOR SUCH INSURANCE SHALL BE TWENTY-FIVE PERCENT  
6 OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR SUCH INSURANCE. In  
7 order to qualify for such credit, the taxpayer's premium payment must be  
8 for the purchase of or for continuing coverage under a long-term care  
9 insurance policy that qualifies for such credit pursuant to section one  
10 thousand one hundred seventeen of the insurance law.

11 S 3. Paragraph 1 of subsection (aa) of section 606 of the tax law, as  
12 amended by section 1 of part P of chapter 61 of the laws of 2005, is  
13 amended to read as follows:

14 (1) Residents. [A] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST,  
15 TWO THOUSAND SIXTEEN, A taxpayer shall be allowed a credit against the  
16 tax imposed by this article equal to twenty percent of the premium paid  
17 during the taxable year for long-term care insurance, AND FOR TAXABLE  
18 YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, A  
19 TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTI-  
20 CLE IN AN AMOUNT EQUAL TO THE APPLICABLE PERCENTAGE OF THE PREMIUM PAID  
21 FOR SUCH LONG-TERM CARE INSURANCE. THE APPLICABLE PERCENTAGE SHALL BE  
22 BASED UPON THE TAXPAYER'S AGE WHEN HE OR SHE PURCHASED THE LONG-TERM  
23 CARE INSURANCE POLICY FOR WHICH CREDIT IS CLAIMED AND SHALL BE AS  
24 FOLLOWS: (A) FOR POLICIES PURCHASED PRIOR TO THE AGE OF THIRTY, FIFTY  
25 PERCENT, (B) FOR POLICIES PURCHASED AFTER THE AGE OF TWENTY-NINE BUT  
26 PRIOR TO THE AGE OF THIRTY-FIVE, FORTY-FIVE PERCENT, (C) FOR POLICIES  
27 PURCHASED AFTER THE AGE OF THIRTY-FOUR BUT PRIOR TO THE AGE OF FORTY,  
28 FORTY PERCENT, (D) FOR POLICIES PURCHASED AFTER THE AGE OF THIRTY-NINE  
29 BUT PRIOR TO THE AGE OF FORTY-FIVE, THIRTY-FIVE PERCENT, (E) FOR POLI-  
30 CIES PURCHASED AFTER THE AGE OF FORTY-FOUR BUT PRIOR TO THE AGE OF  
31 FIFTY, THIRTY PERCENT, (F) FOR POLICIES PURCHASED AFTER THE AGE OF  
32 FORTY-NINE BUT PRIOR TO THE AGE OF FIFTY-FIVE, TWENTY-FIVE PERCENT, AND  
33 (G) FOR POLICIES PURCHASED AFTER THE AGE OF FIFTY-FIVE, TWENTY PERCENT.  
34 In order to qualify for such credit, the taxpayer's premium payment must  
35 be for the purchase of or for continuing coverage under a long-term care  
36 insurance policy that qualifies for such credit pursuant to section one  
37 thousand one hundred seventeen of the insurance law. If the amount of  
38 the credit allowable under this subsection for any taxable year shall  
39 exceed the taxpayer's tax for such year, the excess may be carried over  
40 to the following year or years and may be deducted from the taxpayer's  
41 tax for such year or years.

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

45 (1) [A] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND  
46 SIXTEEN, A taxpayer shall be allowed a credit against the tax imposed by  
47 this article equal to twenty percent of the premium paid during the  
48 taxable year for long-term care insurance, AND FOR TAXABLE YEARS BEGIN-  
49 NING ON AND AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, A TAXPAYER SHALL  
50 BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE EQUAL TO  
51 TWENTY PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR LONG-TERM  
52 CARE INSURANCE UNLESS THE PREMIUM FOR SUCH INSURANCE INCREASED DURING  
53 THE TAXABLE YEAR AND SUCH INCREASE WAS APPROVED AFTER APPLICATION TO AND  
54 BY THE DEPARTMENT OF FINANCIAL SERVICES, THEN THE AMOUNT OF CREDIT  
55 ALLOWED FOR SUCH INSURANCE SHALL BE TWENTY-FIVE PERCENT OF THE PREMIUM  
56 PAID DURING THE TAXABLE YEAR FOR SUCH INSURANCE. In order to qualify for

1 such credit, the taxpayer's premium payment must be for the purchase of  
2 or for continuing coverage under a long-term care insurance policy that  
3 qualifies for such credit pursuant to section one thousand one hundred  
4 seventeen of the insurance law.

5 S 5. The insurance law is amended by adding a new section 3216-a to  
6 read as follows:

7 S 3216-A. DOCUMENTATION TO BE PROVIDED TO LONG-TERM CARE POLICY HOLD-  
8 ERS. (A) ALL AUTHORIZED INSURERS ISSUING INSURANCE POLICIES SUBJECT TO  
9 THE PROVISIONS OF SECTION ONE THOUSAND ONE HUNDRED SEVENTEEN OF THIS  
10 CHAPTER SHALL ISSUE TO EACH POLICY HOLDER AN ANNUAL STATEMENT THAT  
11 INCLUDES THE FOLLOWING INFORMATION:

12 (1) THE DATE SUCH POLICY TOOK EFFECT;  
13 (2) THE AGE OF THE INSURED ON THE DATE THAT SUCH POLICY TOOK EFFECT;  
14 (3) THE ORIGINAL PREMIUM AMOUNT FOR SUCH POLICY;  
15 (4) FOR EACH PREMIUM INCREASE, IF ANY, THE DATE AND AMOUNT OF SUCH  
16 INCREASE;

17 (5) THE TOTAL AMOUNT OF PREMIUM PAID ON SUCH POLICY FOR THE IMMEDIATE-  
18 LY PRIOR CALENDAR YEAR; AND

19 (6) THE TOTAL AMOUNT OF PREMIUM PAID SINCE THE INCEPTION OF SUCH POLI-  
20 CY.

21 (B) FOR PURPOSES OF THIS SECTION, THE TERM "POLICY HOLDER" SHALL MEAN  
22 ANY PERSON WHO WAS A POLICY HOLDER AT ANY TIME DURING THE YEAR FOR WHICH  
23 THE ANNUAL STATEMENT IS ISSUED.

24 (C) THE ANNUAL STATEMENT PRESCRIBED BY THIS SECTION MAY BE COMBINED  
25 WITH ANY OTHER STATEMENTS REQUIRED TO BE GIVEN TO SUCH POLICY HOLDERS  
26 AND SHALL BE SENT TO SUCH POLICY HOLDERS BY THE THIRTY-FIRST DAY OF  
27 JANUARY FOLLOWING THE YEAR FOR WHICH THE ANNUAL STATEMENT IS ISSUED.

28 S 6. The insurance law is amended by adding a new section 4306-h to  
29 read as follows:

30 S 4306-H. DOCUMENTATION TO BE PROVIDED TO LONG-TERM CARE POLICY HOLD-  
31 ERS. (A) ALL INSURERS ISSUING POLICIES PURSUANT TO THE PROVISIONS OF  
32 SECTION FOUR THOUSAND THREE HUNDRED FOUR OF THIS ARTICLE AND SUBJECT TO  
33 THE PROVISIONS OF SECTION FOUR THOUSAND THREE HUNDRED SIX OF THIS ARTI-  
34 CLE THAT ARE FOR OR INCLUDE LONG-TERM CARE BENEFITS SHALL ISSUE TO EACH  
35 POLICY HOLDER AN ANNUAL STATEMENT THAT INCLUDES THE FOLLOWING INFORMA-  
36 TION:

37 (1) THE DATE SUCH POLICY TOOK EFFECT;  
38 (2) THE AGE OF THE INSURED ON THE DATE THAT SUCH POLICY TOOK EFFECT;  
39 (3) THE ORIGINAL PREMIUM AMOUNT FOR SUCH POLICY;  
40 (4) FOR EACH PREMIUM INCREASE, IF ANY, THE DATE AND AMOUNT OF SUCH  
41 INCREASE;

42 (5) THE TOTAL AMOUNT OF PREMIUM PAID ON SUCH POLICY FOR THE IMMEDIATE-  
43 LY PRIOR CALENDAR YEAR; AND

44 (6) THE TOTAL AMOUNT OF PREMIUM PAID SINCE THE INCEPTION OF SUCH POLI-  
45 CY.

46 (B) FOR PURPOSES OF THIS SECTION, THE TERM "POLICY HOLDER" SHALL MEAN  
47 ANY PERSON WHO WAS A POLICY HOLDER AT ANY TIME DURING THE YEAR FOR WHICH  
48 THE ANNUAL STATEMENT IS ISSUED.

49 (C) THE ANNUAL STATEMENT PRESCRIBED BY THIS SECTION MAY BE COMBINED  
50 WITH ANY OTHER STATEMENTS REQUIRED TO BE GIVEN TO SUCH POLICY HOLDERS  
51 AND SHALL BE SENT TO SUCH POLICY HOLDERS BY THE THIRTY-FIRST DAY OF  
52 JANUARY FOLLOWING THE YEAR FOR WHICH THE ANNUAL STATEMENT IS ISSUED.

53 S 7. This act shall take effect immediately.