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

10088

I N A S S E M B L Y

May 10, 2016

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:

Section 1. Subdivision 1 of section 190 of the tax law, as amended by section 102 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

1. General. [A] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, A taxpayer shall be allowed a credit against the tax imposed by this article equal to twenty percent of the premium paid during the taxable year for long-term care insurance, AND FOR TAXABLE YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE EQUAL TO TWENTY PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR LONG-TERM CARE INSURANCE UNLESS THE PREMIUM FOR SUCH INSURANCE INCREASED DURING THE TAXABLE YEAR AND SUCH INCREASE WAS APPROVED AFTER APPLICATION TO AND BY THE DEPARTMENT OF FINANCIAL SERVICES, THEN THE AMOUNT OF CREDIT ALLOWED FOR SUCH INSURANCE SHALL BE TWENTY-FIVE PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR SUCH INSURANCE. 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 (a) of subdivision 14 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(a) General. [A] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, A taxpayer shall be allowed a credit against the tax imposed by this article equal to twenty percent of the premium paid during the taxable year for long-term care insurance, AND FOR TAXABLE YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, A 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

CLE EQUAL TO TWENTY PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR LONG-TERM CARE INSURANCE UNLESS THE PREMIUM FOR SUCH INSURANCE INCREASED DURING THE TAXABLE YEAR AND SUCH INCREASE WAS APPROVED AFTER APPLICATION TO AND BY THE DEPARTMENT OF FINANCIAL SERVICES, THEN THE AMOUNT OF CREDIT ALLOWED FOR SUCH INSURANCE SHALL BE TWENTY-FIVE PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR SUCH INSURANCE. 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 3. 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] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, A taxpayer shall be allowed a credit against the tax imposed by this article equal to twenty percent of the premium paid during the taxable year for long-term care insurance, AND FOR TAXABLE YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE IN AN AMOUNT EQUAL TO THE APPLICABLE PERCENTAGE OF THE PREMIUM PAID FOR SUCH LONG-TERM CARE INSURANCE. THE APPLICABLE PERCENTAGE SHALL BE BASED UPON THE TAXPAYER'S AGE WHEN HE OR SHE PURCHASED THE LONG-TERM CARE INSURANCE POLICY FOR WHICH CREDIT IS CLAIMED AND SHALL BE AS FOLLOWS: (A) FOR POLICIES PURCHASED PRIOR TO THE AGE OF THIRTY, FIFTY PERCENT, (B) FOR POLICIES PURCHASED AFTER THE AGE OF TWENTY-NINE BUT PRIOR TO THE AGE OF THIRTY-FIVE, FORTY-FIVE PERCENT, (C) FOR POLICIES PURCHASED AFTER THE AGE OF THIRTY-FOUR BUT PRIOR TO THE AGE OF FORTY, FORTY PERCENT, (D) FOR POLICIES PURCHASED AFTER THE AGE OF THIRTY-NINE BUT PRIOR TO THE AGE OF FORTY-FIVE, THIRTY-FIVE PERCENT, (E) FOR POLICIES PURCHASED AFTER THE AGE OF FORTY-FOUR BUT PRIOR TO THE AGE OF FIFTY, THIRTY PERCENT, (F) FOR POLICIES PURCHASED AFTER THE AGE OF FORTY-NINE BUT PRIOR TO THE AGE OF FIFTY-FIVE, TWENTY-FIVE PERCENT, AND (G) FOR POLICIES PURCHASED AFTER THE AGE OF FIFTY-FIVE, TWENTY PERCENT. 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. 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 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] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, A taxpayer shall be allowed a credit against the tax imposed by this article equal to twenty percent of the premium paid during the taxable year for long-term care insurance, AND FOR TAXABLE YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE EQUAL TO TWENTY PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR LONG-TERM CARE INSURANCE UNLESS THE PREMIUM FOR SUCH INSURANCE INCREASED DURING THE TAXABLE YEAR AND SUCH INCREASE WAS APPROVED AFTER APPLICATION TO AND BY THE DEPARTMENT OF FINANCIAL SERVICES, THEN THE AMOUNT OF CREDIT ALLOWED FOR SUCH INSURANCE SHALL BE TWENTY-FIVE PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR SUCH INSURANCE. 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. The insurance law is amended by adding a new section 3216-a to read as follows:

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

(1) THE DATE SUCH POLICY TOOK EFFECT;

(2) THE AGE OF THE INSURED ON THE DATE THAT SUCH POLICY TOOK EFFECT;

(3) THE ORIGINAL PREMIUM AMOUNT FOR SUCH POLICY;

(4) FOR EACH PREMIUM INCREASE, IF ANY, THE DATE AND AMOUNT OF SUCH INCREASE;

(5) THE TOTAL AMOUNT OF PREMIUM PAID ON SUCH POLICY FOR THE IMMEDIATELY PRIOR CALENDAR YEAR; AND

(6) THE TOTAL AMOUNT OF PREMIUM PAID SINCE THE INCEPTION OF SUCH POLICY.

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

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

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

S 4306-H. DOCUMENTATION TO BE PROVIDED TO LONG-TERM CARE POLICY HOLDERS. (A) ALL INSURERS ISSUING POLICIES PURSUANT TO THE PROVISIONS OF SECTION FOUR THOUSAND THREE HUNDRED FOUR OF THIS ARTICLE AND SUBJECT TO THE PROVISIONS OF SECTION FOUR THOUSAND THREE HUNDRED SIX OF THIS ARTICLE THAT ARE FOR OR INCLUDE LONG-TERM CARE BENEFITS SHALL ISSUE TO EACH POLICY HOLDER AN ANNUAL STATEMENT THAT INCLUDES THE FOLLOWING INFORMATION:

(1) THE DATE SUCH POLICY TOOK EFFECT;

(2) THE AGE OF THE INSURED ON THE DATE THAT SUCH POLICY TOOK EFFECT;

(3) THE ORIGINAL PREMIUM AMOUNT FOR SUCH POLICY;

(4) FOR EACH PREMIUM INCREASE, IF ANY, THE DATE AND AMOUNT OF SUCH INCREASE;

(5) THE TOTAL AMOUNT OF PREMIUM PAID ON SUCH POLICY FOR THE IMMEDIATELY PRIOR CALENDAR YEAR; AND

(6) THE TOTAL AMOUNT OF PREMIUM PAID SINCE THE INCEPTION OF SUCH POLICY.

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

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

S 7. This act shall take effect immediately.