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I N   S E N A T E

February 8, 2016

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Introduced by Sen. GOLDEN -- 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 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

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

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

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

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

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

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