

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:

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.

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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.