

# STATE OF NEW YORK

4944--A

2017-2018 Regular Sessions

## IN ASSEMBLY

February 6, 2017

Introduced by M. of A. SCHIMMINGER -- read once and referred to the Committee on Ways and Means -- recommitted to the Committee on Ways and Means in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 eighteen, 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 eighteen, 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 § 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 eighteen, a taxpayer shall be allowed a credit against the tax  
25 imposed by this article equal to twenty percent of the premium paid

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

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1 during the taxable year for long-term care insurance, and for taxable  
2 years beginning on and after January first, two thousand eighteen, a  
3 taxpayer shall be allowed a credit against the tax imposed by this arti-  
4 cle equal to twenty percent of the premium paid during the taxable year  
5 for long-term care insurance unless the premium for such insurance  
6 increased during the taxable year and such increase was approved after  
7 application to and by the department of financial services, then the  
8 amount of credit allowed for such insurance shall be twenty-five percent  
9 of the premium paid during the taxable year for such insurance. In  
10 order to qualify for such credit, the taxpayer's premium payment must be  
11 for the purchase of or for continuing coverage under a long-term care  
12 insurance policy that qualifies for such credit pursuant to section one  
13 thousand one hundred seventeen of the insurance law.

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

17 (1) Residents. [A] For taxable years beginning before January first,  
18 two thousand eighteen, a taxpayer shall be allowed a credit against the  
19 tax imposed by this article equal to twenty percent of the premium paid  
20 during the taxable year for long-term care insurance, and for taxable  
21 years beginning on and after January first, two thousand eighteen, a  
22 taxpayer shall be allowed a credit against the tax imposed by this arti-  
23 cle in an amount equal to the applicable percentage of the premium paid  
24 for such long-term care insurance. The applicable percentage shall be  
25 based upon the taxpayer's age when he or she purchased the long-term  
26 care insurance policy for which credit is claimed and shall be as  
27 follows: (a) for policies purchased prior to the age of thirty, fifty  
28 percent, (b) for policies purchased after the age of twenty-nine but  
29 prior to the age of thirty-five, forty-five percent, (c) for policies  
30 purchased after the age of thirty-four but prior to the age of forty,  
31 forty percent, (d) for policies purchased after the age of thirty-nine  
32 but prior to the age of forty-five, thirty-five percent, (e) for poli-  
33 cies purchased after the age of forty-four but prior to the age of  
34 fifty, thirty percent, (f) for policies purchased after the age of  
35 forty-nine but prior to the age of fifty-five, twenty-five percent, and  
36 (g) for policies purchased after the age of fifty-five, twenty percent.

37 In order to qualify for such credit, the taxpayer's premium payment must  
38 be for the purchase of or for continuing coverage under a long-term care  
39 insurance policy that qualifies for such credit pursuant to section one  
40 thousand one hundred seventeen of the insurance law. If the amount of  
41 the credit allowable under this subsection for any taxable year shall  
42 exceed the taxpayer's tax for such year, the excess may be carried over  
43 to the following year or years and may be deducted from the taxpayer's  
44 tax for such year or years.

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

48 (1) [A] For taxable years beginning before January first, two thousand  
49 eighteen, a taxpayer shall be allowed a credit against the tax imposed  
50 by this article equal to twenty percent of the premium paid during the  
51 taxable year for long-term care insurance, and for taxable years begin-  
52 ning on and after January first, two thousand eighteen, a taxpayer shall  
53 be allowed a credit against the tax imposed by this article equal to  
54 twenty percent of the premium paid during the taxable year for long-term  
55 care insurance unless the premium for such insurance increased during  
56 the taxable year and such increase was approved after application to and

1 by the department of financial services, then the amount of credit  
2 allowed for such insurance shall be twenty-five percent of the premium  
3 paid during the taxable year for such insurance. In order to qualify for  
4 such credit, the taxpayer's premium payment must be for the purchase of  
5 or for continuing coverage under a long-term care insurance policy that  
6 qualifies for such credit pursuant to section one thousand one hundred  
7 seventeen of the insurance law.

8 § 5. The insurance law is amended by adding a new section 3216-a to  
9 read as follows:

10 § 3216-a. Documentation to be provided to long-term care policy hold-  
11 ers. (a) All authorized insurers issuing insurance policies subject to  
12 the provisions of section one thousand one hundred seventeen of this  
13 chapter shall issue to each policy holder an annual statement that  
14 includes the following information:

- 15 (1) the date such policy took effect;  
16 (2) the age of the insured on the date that such policy took effect;  
17 (3) the original premium amount for such policy;  
18 (4) for each premium increase, if any, the date and amount of such  
19 increase;  
20 (5) the total amount of premium paid on such policy for the immediate-  
21 ly prior calendar year; and  
22 (6) the total amount of premium paid since the inception of such poli-  
23 cy.

24 (b) For purposes of this section, the term "policy holder" shall mean  
25 any person who was a policy holder at any time during the year for which  
26 the annual statement is issued.

27 (c) The annual statement prescribed by this section may be combined  
28 with any other statements required to be given to such policy holders  
29 and shall be sent to such policy holders by the thirty-first day of  
30 January following the year for which the annual statement is issued.

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

33 § 4306-h. Documentation to be provided to long-term care policy hold-  
34 ers. (a) All insurers issuing policies pursuant to the provisions of  
35 section four thousand three hundred four of this article and subject to  
36 the provisions of section four thousand three hundred six of this arti-  
37 cle that are for or include long-term care benefits shall issue to each  
38 policy holder an annual statement that includes the following informa-  
39 tion:

- 40 (1) the date such policy took effect;  
41 (2) the age of the insured on the date that such policy took effect;  
42 (3) the original premium amount for such policy;  
43 (4) for each premium increase, if any, the date and amount of such  
44 increase;  
45 (5) the total amount of premium paid on such policy for the immediate-  
46 ly prior calendar year; and  
47 (6) the total amount of premium paid since the inception of such poli-  
48 cy.

49 (b) For purposes of this section, the term "policy holder" shall mean  
50 any person who was a policy holder at any time during the year for which  
51 the annual statement is issued.

52 (c) The annual statement prescribed by this section may be combined  
53 with any other statements required to be given to such policy holders  
54 and shall be sent to such policy holders by the thirty-first day of  
55 January following the year for which the annual statement is issued.

56 § 7. This act shall take effect immediately.