

# STATE OF NEW YORK

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2559--A

2017-2018 Regular Sessions

## IN SENATE

January 13, 2017

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Introduced by Sens. GOLDEN, ROBACH -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- recommitted to the Committee on Investigations and Government Operations in accordance with Senate Rule 6, sec. 8 -- reported favorably from said committee and committed to the Committee on Finance -- 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.

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

LBD06027-02-8

§ 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 eighteen, 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 eighteen, 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.

§ 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 eighteen, 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 eighteen, 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.

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

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

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

16 § 3216-a. Documentation to be provided to long-term care policy hold-  
17 ers. (a) All authorized insurers issuing insurance policies subject to  
18 the provisions of section one thousand one hundred seventeen of this  
19 chapter shall issue to each policy holder an annual statement that  
20 includes the following information:

- 21 (1) the date such policy took effect;  
22 (2) the age of the insured on the date that such policy took effect;  
23 (3) the original premium amount for such policy;  
24 (4) for each premium increase, if any, the date and amount of such  
25 increase;  
26 (5) the total amount of premium paid on such policy for the immediate-  
27 ly prior calendar year; and  
28 (6) the total amount of premium paid since the inception of such poli-  
29 cy.

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

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

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

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

- 46 (1) the date such policy took effect;  
47 (2) the age of the insured on the date that such policy took effect;  
48 (3) the original premium amount for such policy;  
49 (4) for each premium increase, if any, the date and amount of such  
50 increase;  
51 (5) the total amount of premium paid on such policy for the immediate-  
52 ly prior calendar year; and  
53 (6) the total amount of premium paid since the inception of such poli-  
54 cy.

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

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

8     § 7. This act shall take effect immediately.