

111TH CONGRESS  
1ST SESSION

# S. 94

To amend the Internal Revenue Code of 1986 to provide for a nonrefundable tax credit for long-term care insurance premiums.

---

IN THE SENATE OF THE UNITED STATES

JANUARY 6, 2009

Mr. VITTER introduced the following bill; which was read twice and referred to the Committee on Finance

---

## A BILL

To amend the Internal Revenue Code of 1986 to provide for a nonrefundable tax credit for long-term care insurance premiums.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Long-Term Care Fam-  
5 ily Accessibility Act”.

6 **SEC. 2. NONREFUNDABLE TAX CREDIT FOR LONG-TERM**  
7 **CARE INSURANCE PREMIUMS.**

8 (a) IN GENERAL.—Subpart A of part IV of sub-  
9 chapter A of chapter 1 of the Internal Revenue Code of  
10 1986 (relating to nonrefundable personal credits) is

1 amended by inserting after section 25D the following new  
2 section:

3 **“SEC. 25E. CREDIT FOR LONG-TERM CARE INSURANCE PRE-**  
4 **MIUMS.**

5 “(a) ALLOWANCE OF CREDIT.—

6 “(1) IN GENERAL.—There shall be allowed as a  
7 credit against the tax imposed by this chapter for  
8 the taxable year an amount equal to 50 percent of  
9 the premiums paid during the taxable year for the  
10 coverage of any eligible beneficiary under any quali-  
11 fied long-term care insurance contract (as defined in  
12 section 7702B(b)).

13 “(2) ELIGIBLE BENEFICIARY.—For purposes of  
14 this section, the term ‘eligible beneficiary’ means—

15 “(A) the taxpayer,

16 “(B) the taxpayer’s spouse,

17 “(C) the taxpayer’s child,

18 “(D) a parent of the taxpayer or the tax-  
19 payer’s spouse, or

20 “(E) any dependent of the taxpayer.

21 “(b) LIMITATIONS PER ELIGIBLE BENEFICIARY.—

22 “(1) PREMIUM AMOUNT.—The amount of the  
23 premiums incurred during any taxable year which  
24 may be taken into account under subsection (a) with

1 respect to each eligible beneficiary shall not exceed  
2 \$4,000.

3 “(2) LIMITATION BASED ON NONDEPENDENT  
4 ELIGIBLE BENEFICIARY’S ADJUSTED GROSS IN-  
5 COME.—

6 “(A) IN GENERAL.—No credit shall be al-  
7 lowed under subsection (a) for any taxable year  
8 with respect an eligible beneficiary who is not  
9 a dependent of the taxpayer if such bene-  
10 ficiary’s modified adjusted gross income for  
11 such taxable year exceeds 300 percent of the  
12 Federal poverty line for such taxable year.

13 “(B) MODIFIED ADJUSTED GROSS IN-  
14 COME.—For purposes of subparagraph (A), the  
15 term ‘modified adjusted gross income’ means  
16 adjusted gross income increased by any amount  
17 excluded from gross income under section 911,  
18 931, or 933.

19 “(C) POVERTY LINE.—For purposes of  
20 subparagraph (A), the term ‘poverty line’ has  
21 the meaning given such term in section 673(2)  
22 of the Community Services Block Grant Act  
23 (42 U.S.C. 9902(2)), including any revision re-  
24 quired by such section.

1       “(c) IDENTIFICATION REQUIREMENT.—No credit  
2 shall be allowed under this section to a taxpayer with re-  
3 spect to any eligible beneficiary unless the taxpayer in-  
4 cludes the name and taxpayer identification number of  
5 such beneficiary on the return of tax for the taxable year.

6       “(d) COORDINATION WITH OTHER DEDUCTIONS.—  
7 Any amount paid by a taxpayer for any qualified long-  
8 term care insurance contract to which subsection (a) ap-  
9 plies shall not be taken into account in computing the  
10 amount allowable to the taxpayer as a deduction under  
11 section 162(l) or 213(a).”.

12       (b) CONFORMING AMENDMENTS.—

13             (1) Section 6213(g)(2) of the Internal Revenue  
14 Code of 1986 is amended by striking “and” at the  
15 end of subparagraph (L), by striking the period at  
16 the end of subparagraph (M) and inserting “, and”,  
17 and by inserting after subparagraph (M) the fol-  
18 lowing new subparagraph:

19                     “(N) an omission of a correct TIN re-  
20 quired under section 25E(d) (relating to credit  
21 for long-term care insurance premiums) to be  
22 included on a return.”.

23             (2) The table of sections for subpart A of part  
24 IV of subchapter A of chapter 1 of such Code is

1       amended by inserting after the item relating to sec-  
2       tion 25D the following new item:

“Sec. 25E. Credit for long-term care insurance premiums.”.

3       (c) **EFFECTIVE DATE.**—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2008.

○