Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1	State of Arkansas	As Engrossed: \$3/27/01	
2	83rd General Assembly	A Bill	
3	Regular Session, 2001 SENATE BILL		SENATE BILL 333
4			
5	By: Senator Brown		
6			
7			
8		For An Act To Be Entitled	
9	AN ACT	TO AUTHORIZE A REDUCTION IN THE STATE	Ē
10	GROSS INCOME FOR PREMIUMS PAID FOR A QUALIFIED		
11		ERM CARE INSURANCE CONTRACT; AND FOR C)THER
12	PURPOSI	ES.	
13			
14		Subtitle	
15		AUTHORIZE A REDUCTION IN THE STATE	
16		SS INCOME FOR PREMIUMS PAID FOR A	
17		LIFIED LONG-TERM CARE INSURANCE	
18	CON	TRACT.	
19			
20	DE LE ENANTED DV THE	OFNEDAL ACCEMBLY OF THE OTATE OF ADVA	NOAC
21	BE IT ENACTED BY THE	GENERAL ASSEMBLY OF THE STATE OF ARKA	.NSAS:
22	CECTION 4		
23		the purposes of this act:	
24		Price Index" means the last Consumer	
25		shed by the Department of Labor. The	
26		r year is the average of the Consumer	
27		period ending on August 31 of the ca	
28 29		iving adjustment" means the percentag	
30	the Consumer Price Index for the calendar year preceding the taxable year exceeds the Consumer Price Index for the calendar year 2001, not to exceed		
31	three percent (3%).	Fire tridex for the carendar year 200	1, not to exceed
32		means any policy, contract, subscrib	er agreement rider
33			
34	or endorsement delivered or issued for delivery in this state by an insurer; fraternal benefit society; nonprofit health, hospital, or medical service		
35	corporation; prepaid health plan; health maintenance organization or any		
36	similar organization.		. Zatron or uny

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1	(4) "Qualified long-term care insurance contract" shall have the same		
2	meaning as provided in Arkansas Code 23-97-203.		
3			
4	SECTION 2. (a) In addition to other deductions allowed by law, there		
5	shall be allowed as a deduction from the gross income for the purpose of		
6	computing Arkansas income tax liability for tax year 2001 and thereafter, ar		
7	payment made during the taxable year for premiums for a qualified long-term		
8	care insurance contract that offers coverage to either the taxpayer, the		
9	taxpayer's spouse, parent or a dependent as defined in Section 152 of the		
10	United States Internal Revenue Code, as the Code exists on January 1, 2001.		
11	(b) A deduction shall only be allowed to:		
12	(1) An individual filing a single return with a state taxable		
13	income of less than fifty thousand dollars (\$50,000) for the tax year for		
14	which the deduction is claimed;		
15	(2) Two (2) individuals filing a joint return with a state		
16	taxable income of less than fifty thousand dollars (\$50,000) for the tax year		
17	for which the deduction is claimed if claiming the deduction for one (1)		
18	contract; or		
19	(3) Two (2) individuals filing a joint return with a state		
20	taxable income of less than one hundred thousand dollars (\$100,000) for the		
21	tax year for which the deduction is claimed if claiming the deduction for two		
22	(2) or more contracts.		
23	(c) Beginning in tax year 2002, the maximum income limits provided in		
24	this section shall be adjusted by the cost-of-living adjustment for that		
25	calendar year except that the adjustment shall not exceed three percent (3%).		
26	(d) The Director of the Department of Finance and Administration shall		
27	annually promulgate regulations establishing the annual adjusted maximum		
28	income limit provided under this section.		
29	/s/ Brown		
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