

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
2 83rd General Assembly
3 Regular Session, 2001

A Bill

HOUSE BILL 2217

4
5 By: Representative Rackley
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For An Act To Be Entitled

9 AN ACT TO ESTABLISH AN INCOME TAX CREDIT FOR PREMIUMS
10 PAID FOR QUALIFIED LONG-TERM CARE INSURANCE POLICIES;
11 AND FOR OTHER PURPOSES.
12

Subtitle

13 TO ESTABLISH AN INCOME TAX CREDIT FOR
14 PREMIUMS PAID FOR QUALIFIED LONG-TERM
15 CARE INSURANCE POLICIES.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. For the purposes of this act:

22 (1) "Policy" means any policy, contract, subscriber agreement, rider,
23 or endorsement delivered or issued for delivery in this state by:

24 (A) An insurer;

25 (B) Fraternal benefit society;

26 (C) Nonprofit health, hospital, or medical service corporation;

27 (D) Prepaid health plan; and

28 (E) Health maintenance organization or any similar organization;

29 and

30 (2)(A) "Qualified long-term care insurance policy" means any insurance
31 policy or rider advertised, marketed, offered, or designed to provide
32 benefits for not less than twenty-four (24) consecutive months for each
33 covered person on an expense incurred, indemnity, prepaid, or other basis,
34 for one (1) or more necessary or medically necessary diagnostic, preventive,
35 therapeutic, rehabilitative, maintenance, or personal care services, provided
36 in a setting other than an acute care unit of a hospital.

1 (B) "Qualified long-term care insurance policy" includes:

2 (i) Group and individual policies or riders whether issued
3 by insurers; fraternal benefit societies; nonprofit health, hospital, and
4 medical service corporations; prepaid health plans; health maintenance
5 organizations or any similar organization; and

6 (ii) Any insurance policy which is offered primarily to
7 provide basic Medicare supplement coverage, basic hospital expense coverage,
8 basic medical -surgical expense coverage, hospital confinement indemnity
9 coverage, major medical expense coverage, disability income protection
10 coverage, accident only coverage, specified disease or specified accident
11 coverage, or limited benefit health coverage which also contains long-term
12 care insurance benefits for at least six (6) months.

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14 SECTION 2. (a) Beginning in tax year 2001, there shall be allowed a
15 credit against the tax imposed by the Income Tax Act of 1929 for payments
16 made for a qualified long-term care insurance policy that offers coverage to
17 the taxpayer, the taxpayer's spouse, parent, or a dependent as defined in
18 Section 152 of the United States Internal Revenue Code, as exists on January
19 1, 2001.

20 (b) The amount of the credit shall not exceed one thousand two hundred
21 dollars (\$1,200).

22 (c)(1) The amount of the credit that may be used by the taxpayer shall
23 not exceed the amount of individual income tax due.

24 (2) Any unused credit may be carried over for a maximum of two
25 (2) consecutive taxable years.

26 (d) The Director of the Department of Finance and Administration shall
27 promulgate regulations administering the provisions of this section.

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