

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 48\*

Short Title: Credit for Long-Term Care Insurance.

(Public)

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Sponsors: Senators Cochrane, Martin of Pitt, Carpenter, Dannelly; East, Forrester, Foxx, Garwood, Kincaid, Ledbetter, Page, and Rucho.

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Referred to: Finance.

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February 6, 1997

A BILL TO BE ENTITLED

AN ACT TO PROVIDE AN INDIVIDUAL INCOME TAX CREDIT FOR PREMIUMS  
PAID ON LONG-TERM CARE INSURANCE.

The General Assembly of North Carolina enacts:

Section 1. Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-151.27. Credit for premiums paid on long-term care insurance.**

(a) Credit. – An individual is allowed, as a credit against the tax imposed by this Division, an amount equal to fifteen percent (15%) of the premium costs paid during the taxable year on a qualified long-term care insurance contract that offers coverage to either the individual, the individual's spouse, or a dependent for whom the individual was allowed to deduct a personal exemption under section 151(c)(1)(A) of the Code for the taxable year. The credit allowed by this section may not exceed three hundred fifty dollars (\$350.00) for each qualified long-term care insurance contract for which a credit is claimed. The credit allowed under this section may not exceed the amount of tax imposed by this Division for the taxable year reduced by the sum of all credits allowed, except payments of tax made by or on behalf of the taxpayer. A nonresident or part-year resident who claims the credit allowed by this subsection shall reduce the amount of the

1 credit by multiplying it by the fraction calculated under G.S. 105-134.5(b) or (c), as  
2 appropriate.

3 (b) Definition. – For purposes of this section, the term 'qualified long-term care  
4 insurance contract' has the same meaning as defined in section 7702B of the Code."

5 Section 2. This act is effective for taxable years beginning on or after January  
6 1, 1997.