

HCS HB 1145, 1359 & 1121 -- INCOME TAX DEDUCTION FOR LONG-TERM CARE INSURANCE

SPONSOR: Bruns (Portwood)

COMMITTEE ACTION: Voted "do pass" by the Committee on Senior Citizen Advocacy by a vote of 8 to 0.

This substitute changes the laws regarding the long-term care insurance tax deduction. For taxable years beginning after January 1, 2006, Missouri residents will be allowed to deduct from their taxable income an amount equaling 100% of all non-reimbursed amounts paid for qualified long-term care insurance premiums to the extent the amounts are included in the individual's adjusted gross income.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$2,736,000 in FY 2007, FY 2008, and FY 2009. No impact on Other State Funds in FY 2007, FY 2008, and FY 2009.

PROPONENTS: Supporters say that the bills make expensive long-term care more affordable for seniors and will help alleviate the state's cost for providing the care. The 100% deduction provides a tax incentive for all Missouri citizens to invest in long-term care insurance.

Testifying for HB 1145 were Representative Portwood; AARP; and Missouri Association of Homes for the Aging. Testifying for HB 1359 was Representative Dethrow. Testifying for HB 1121 were Representative Wildberger; Silver Haired Legislature; AARP; and Missouri Association of Independent Insurance Agents.

OPPONENTS: There was no opposition voiced to the committee.

Alex Curchin, Legislative Analyst