

HB 40 -- Income Tax Deduction for Long-Term Care Insurance  
Premiums

Sponsor: Portwood

This bill changes the laws regarding the long-term care insurance income tax deduction. For taxable years beginning after January 1, 2007, 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.

The bill establishes the Missouri Long-Term Care Partnership Act which requires the departments of Social Services and Insurance to coordinate a long-term care insurance partnership program where private insurance and Missouri Medicaid funds will be used to finance long-term care. Under the program, an individual may purchase a qualified state long-term care insurance policy that meets certain criteria without first being required to substantially exhaust their resources.

The directors of the departments must submit a report on the progress of the partnership program to the General Assembly on September 1, 2008, and on January 1 each year thereafter.