HCS HB 40, 116 & 367 -- INCOME TAX DEDUCTION FOR LONG-TERM CARE INSURANCE PREMIUMS (Portwood)

COMMITTEE OF ORIGIN: Special Committee on Ticket to Work

This substitute 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 nonreimbursed amounts paid for qualified long-term care insurance premiums to the extent the amounts are included in the individual’s adjusted gross income.

The substitute establishes the Missouri Long-term Care Partnership Act which requires the departments of Social Services and Insurance, Financial Institutions, and Professional Registration to coordinate a long-term care insurance partnership program where private insurance and Missouri Medicaid Program 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 Department of Insurance, Financial Institutions, and Professional Registration can certify qualified state long-term care insurance partnership policies and is required to develop training requirements for individuals who sell qualified long-term care partnership policies.

The issuers of qualified long-term care partnership policies must submit regular reports to the Secretary of the United States Department of Health and Human Services, as required by federal law, and to the departments of Social Services and Insurance, Financial Institutions, and Professional Registration.

The provisions of the substitute will expire six years from the effective date.

FISCAL NOTE: Estimated Cost on General Revenue Fund of Approximately $2,880,000 in FY 2008, FY 2009, and FY 2010. No impact on Other State Funds in FY 2008, FY 2009, and FY 2010.