



Long Term Care Insurance State Tax Treatment of Premiums

AL	Deduction. A deduction is allowed for the amount of premiums paid pursuant to a qualifying insurance contract for QLTCI coverage. [Code of Ala. 40-18-15(27)(1996)]
AK	No Credit Or Deduction. No Broad Based State Income Tax
AZ	No Credit Or Deduction. No Broad Based State Income Tax
AR	Deduction. Adopts section 213 of IRC for computing medical and dental expense deduction under state income tax law. [Ark. Code Sec. 26-51-423 Reg. 1.26-51-423(a)(2)]
CA	Deduction. Max amount deductible based on sliding scale, increased each year to account for inflation. Residents who need LTC services for at least 180 days can qualify for a \$500 tax credit as long as their adjusted gross income does not exceed \$100,000. A deduction is allowed to the extent provided in the Federal IRC. [Cal. Rev. & Tax Code ' 17201 (1996)]
CO	Credit. A credit is allowed in taxable years on or after 1/1/00, for 25 percent of premiums paid for QLTCI or \$150.00 per policy. The credit will be available to only individual tax payers with taxable income of less than \$50,000 or two individuals filing a joint return with taxable income of less than \$100,000. [C.R.S. 39-22-122 (1999)]
CT	No Credit Or Deduction. No Broad Based State Income Tax
DE	Same As Federal Tax Law
DC	Deduction. Effective 1/21/05, permits a deduction from gross income the amount an individual pays annually in QLTCI premiums, provided that the deduction shall not exceed \$500.00 per year, per individual, whether the individual files individually or jointly. [Section 47-1803.03 (b-1) of the DC Official Code]
FL	No Credit Or Deduction. No Broad Based State Income Tax.
GA	Same As Federal Tax Law
HI	Deduction. For tax years beginning on or after 1/1/99, an individual state tax deduction is allowed for QLTCI premiums. A deduction is allowed for premiums paid for QLTCI to the extent such premiums are deductible in determining Federal taxable income beginning in taxable years after 12/31/98 and is also only available to the extent that all medical expenses, including Long-Term Care exceed 7.5% of HI Adjusted Gross Income. [HRS Sec. 235-2.3, (1999)]
ID	Deduction. A deduction is allowed for taxable years beginning on or after 1/1/04 for the premiums for QLTCI as defined in section 41-4603 Idaho Code. For tax years beginning on or after 1/1/04, allows an individual taxpayer to deduct the full amount of premiums paid for QLTCI for the taxpayer, a dependent or an employee. The deduction may be taken for a Federally QLTCI policy meeting Idaho's definition of LTCI. (Prior law allowed for a taxpayer to deduct 50 percent of the costs for premiums, effective 1/1/04, the limitation is removed, and the full amount of the premium may be deducted.) [Chapter 30, Title 63, Sec. 63-3022Q (2004) Reg. 41-4603]
IL	No Credit Or Deduction. No Broad Based State Income Tax.
IN	Deduction. For tax years beginning on or after 1/1/00, an individual taxpayer is permitted to deduct an amount equal to the eligible portion of premiums paid during the taxable year by the taxpayer for a QLTCI policy (as defined in the Indiana Code, for the taxpayer, the taxpayer's spouse, or both FOR QUALIFIED PARTNERSHIP POLICIES ONLY. [Ind. Code Sections. 6-3-1-3.5]
IA	Deduction. A deduction is allowed for tax years beginning on or after 1/1/97, for premiums for QLTCI for

	nursing home coverage to the extent the premiums for long-term health care services are eligible for the Federal itemized deduction for medical and dental expenses. Adopts section 213 of IRC for computing medical and dental expense under state income tax law. [IAC Chapter 40, ' 701-40.49(422); IAC ' 422.7(1997)]
KS	Deduction. A deduction for tax years beginning after 12/31/04 is allowed up to \$500 of QLTC premium costs. The deduction increases by \$100 each year to a maximum of \$1,000. (K.S.A. 2000 supp. 79-32 117(c)(xvi)2004) HB 2545
KY	Exclusion. Exclusion For tax years beginning on or after 1/1/99, a taxpayer may exclude from Kentucky Adjusted Gross Income any amounts paid for QLTCI as defined in the Kentucky code.[Ky. Rev. Stat. Sec. 141.010(10)(m) Reg. 304.14-600 & 610]
LA	No Credit Or Deduction. No Broad Based State Income Tax.
ME	Individual Deduction. A deduction is allowed for an amount equal to the total premium spent for QLTCI policies that have been certified by the Superintendent of Insurance as complying with Title 24-A, Chapter 68. For tax years beginning on or after 1/1/04, a taxpayer may take a State income tax deduction on an amount equal to the total premiums spent for QLTCI, as long as the amount subtracted is reduced by any amount claimed as a deduction for Federal income tax purposes. [36 Me. Rev. Stat. Sec. 5122] Amended 5/11/04 [Title 36, Part 8, Chapter 805, Sec. 5122 (1989)]or (C) \$100 for each employee covered by an employer-sponsored LTCi policy. Employer Credit. For employers, a credit is allowed against the tax imposed for each taxable year equal to the lowest of the following: (A) \$5,000; (B) 20% of the costs incurred by the taxpayer in providing QLTCI coverage as part of the benefit package; or, (C) \$100 for each employee covered by an employer provided QLTCI policy. [Title 36, Part 4, Section 2525, Chapter 357 (1996)]
MD	Credit. A credit is allowed against the State income tax for employers providing QLTCI insurance up to an amount equal to 5 percent of the costs incurred by the employer during the taxable year for providing QLTCI as part of the employee benefit package. The credit may not exceed \$5,000 or \$100 for each employee covered by QLTCI under the employer benefit package and it is applicable to all taxable years beginning after 12/31/98. [Ins. Art. 6-117, Chapter 7 (1998)] Md. Tax Code Sec. 10-710 A one-time credit is allowed in the amount equal to 100% of the eligible Federally QLTCI premiums covering the individual, spouse, parent, step-parent, child, or step-child, not to exceed \$500 effective 7/1/00 for taxable years beginning after 12/31/99. [Chapter 242, Section 10-718 (2000)]
MA	No Credit Or Deduction. No Broad Based State Income Tax.
MI	No Credit Or Deduction. No Broad Based State Income Tax.
MN	Credit. For tax years beginning on or after 1/1/99, a credit is allowed for QLTCI premiums during the taxable year equal to (1) 25% of premiums paid to the extent not deducted in determining Federal taxable income; or, (2) \$100. Maximum allowable credit per year is \$200 for couples filing jointly and \$100 for all other filers. [Sec. 21, Sec. 290.0672 subdivision 2 (2000)]
MS	Credit. As of 1/1/07, a taxpayer is allowed a credit against the income taxes imposed under this chapter in an amount equal to 25% of the premium costs paid during the taxable year for a QLTCI policy as defined in Section 7702B of the IRC that offers coverage to either the individual, the individual's spouse, the individual's parent or parent-in-law, or the individual's dependent as defined in Section 152 of the IRC. No taxpayer is entitled to the credit with respect to the same expended amounts for QLTCI which are claimed by another taxpayer. The credit allowed by this section shall not exceed \$500 or the taxpayer's income tax liability, whichever is less, for each QLTCI policy. Any unused tax credit shall not be allowed to be carried forward to apply to the taxpayer's succeeding year's tax liability. No credit shall be allowed under this section with respect to any premium for QLTCI either deducted or subtracted by the taxpayer in arriving at his net taxable income under this section or with respect to any premiums for QLTCI which were excluded from his net taxable income.
MS	Credit. As of 1/1/07, a taxpayer is allowed a credit against the income taxes imposed under this chapter in an amount equal to 25% of the premium costs paid during the taxable year for a QLTCI policy as defined in

	<p>Section 7702B of the IRC that offers coverage to either the individual, the individual's spouse, the individual's parent or parent-in-law, or the individual's dependent as defined in Section 152 of the IRC. No taxpayer is entitled to the credit with respect to the same expended amounts for QLTCI which are claimed by another taxpayer. The credit allowed by this section shall not exceed \$500 or the taxpayer's income tax liability, whichever is less, for each QLTCI policy. Any unused tax credit shall not be allowed to be carried forward to apply to the taxpayer's succeeding year's tax liability. No credit shall be allowed under this section with respect to any premium for QLTCI either deducted or subtracted by the taxpayer in arriving at his net taxable income under this section or with respect to any premiums for QLTCI which were excluded from his net taxable income.</p>
MO	<p>Deduction. Beginning 1/1/07, this bill authorizes 100% of the amount paid for non-reimbursed qualified long-term care insurance premiums to be deducted from a taxpayer's Missouri taxable income to the extent the amount is not already included in the taxpayer's itemized deductions. SB 577 (SECTION 135.096) Formerly, a deduction was allowed for a resident from State taxable income for an amount equal to 50% of all non-reimbursed amounts paid by an individual for QLTCI premiums to the extent such amounts are not included in the individual's itemized deductions for all taxable years beginning after 12/31/99. [Section 8 of R.S. MO 334660 (1999)][Mo. Rev Stat. Sec. 135.096] Sections. 376.951-376.958 of Missouri Long-Term Care Insurance Act.</p>
MT	<p>Deduction. A deduction is allowed for all premium payments made directly by the taxpayer for QLTCI policies or certificates that provide coverage primarily for any qualified LTC services as defined in 26 U.S.C. 7702B(c) beginning after 12/31/94 or of the taxpayer's parents, grandparents or both for taxpayers beginning after 12/31/96. [Chapter 111, (1997)]</p> <p>Credit. A limited credit is available for expense of caring for certain elderly family members (which includes premiums paid for long-term care insurance coverage). The amount of credit is determined based on the taxpayer's adjusted gross income and cannot exceed \$5,000 per qualifying family member in a taxable year (\$10,000 for two or more family members). [Mont. Code Sec. 15-30-128]</p>
NE	<p>Deduction. Participants may deduct up to \$1,000 (\$2,000 filing jointly) from their Federal adjusted gross income for Nebraska State income tax purposes by depositing an equal amount into a designated Long-Term Care Savings Plan account at a participating financial institution. (LB 965 – 1/1/06) LB 304 approved 6/30/07 for anyone turning 50 in 2007, benefits Nebraskans by strengthening Nebraska's Long-term Care Savings Plan by 1) Allowing a participant to pay a QLTCI policy premium for another person for whom the taxpayer has an insurable interest; 2) Allowing a person who turned 50 during the taxable year to make payments for QLTCI premiums during the taxable year; and 3) Redefines a qualified individual as a person who has incurred LTC expenses during the taxable year. (These Legislative Bills amend Section 77-6102 of Nebraska State Law).</p>
NJ	<p>Deduction. Allows a deduction for medical expenses (including QLTCI), only to the extent such expenses exceeds 2% of taxpayer's gross income. [N.J. Stat. Sec. 54A:3-3]</p>
NM	<p>Deduction. Permits deduction for premium paid for a QLTCI contract defined in IRC 7702(B), as part of unreimbursed or uncompensated medical care expenses. Total medical expense deduction is limited, based on income level. [N.M. Stat. Ann. Sec. 7-2-35]</p>
NY	<p>Credit. A credit is allowed equal to 20% of the premium paid during the taxable year for QLTCI approved by the Superintendent of Insurance provided policy qualifies for such credit pursuant to Section 1117. If the amount of credit allowable under this subsection for any taxable year shall exceed the taxpayer's tax for such year, the excess may be carried over to the following year or years and may be deducted from the taxpayer's tax for such year or years and applies to taxable years beginning on or after 1/1/04. [Sec. 210, subdivision 25-0-1 Chapter 58 (2004)] [NY Tax Law Sec. 606(aa)]</p>
NC	<p>Credit. A credit is allowed for tax years beginning on or after 1/1/07, equal to 15 percent of the premium costs not to exceed \$350.00 for the age-based allowable premiums on QLTCI contracts as defined in Section 7702B of the IRC to the extent the amounts paid were not deducted from or not included in Federal gross income. For example, amounts paid with pre-tax dollars under an HSA or deducted under the self employed health</p>

	insurance deduction would not qualify. However, those premiums that are not deductible on the Federal return because of the age limitations may be used in calculating the credit. The credit is available to an individual, his or her spouse or a dependent that was eligible to be claimed as a personal exemption on the individual's Federal tax return. The adjusted gross income limit for qualifying for the tax credit is \$100,000 for married couples filing jointly, \$80,000 for a head of household, \$60,000 for single taxpayers and \$50,000 for those who are married filing separately. This credit will be repealed on 1/1/13.
ND	Credit. A credit is allowed to be applied against an individual's tax liability in the amount of 25% of any premiums paid by the taxpayer for QLTCI coverage for the taxpayer or the taxpayer's spouse, parent, step-parent or child. The credit may not exceed \$100 in any taxable year. [Title 57, Chapter 57-38 (1997)]
OH	Deduction. A deduction is allowed for individual policy premiums paid for QLTCI effective for taxable years beginning 1/1/99. Generally allows a deduction for the amount paid for QLTCI for the taxpayer, his spouse, and dependents [OH REV. STAT. Section 5747.01 (1999)]
OK	Deduction. Permits the same tax deduction as is allowed for Federal income tax purposes. [68 Ok. Stat Sec. 2353]
OR	Credit. A credit is allowed for amounts paid or incurred for QLTCI by an individual on behalf of individual, dependents or parents and for amounts paid or incurred by employer on behalf of employees. Limits credit to lesser of 15% of premiums or \$500. In order for the credit to be available the policy must be issued after 1/1/00. The credit is not refundable and cannot be carried forward. [Or. Rev. Stat Sec. 315.610 Sec 743.652 (Definition for Sections. 743.650 - 743.656)]
PA	No Credit Or Deduction. No Broad Based State Income Tax
RI	Same As Federal Tax Law
SC	Same As Federal Tax Law
SD	No Credit Or Deduction. No Broad Based State Income Tax
TN	No Credit Or Deduction. No Broad Based State Income Tax
TX	No Credit Or Deduction. No Broad Based State Income Tax
UT	Deduction. A deduction is allowed from Federal taxable income of a resident or nonresident individual for tax years beginning on or after 1/1/00, of any amounts paid for premiums on QLTCI policies to the extent the amounts paid were not deducted under Section 213 of the IRC in determining Federal taxable income. This deduction is for all premiums paid for QLTCI as defined under the Utah Code. [Chapter 60, " 59-10-114(1999)] [Utah Code Sec. 59-10- 114(2)(K) Sec. 31A-1-301]
VT	Same As Federal Tax Law
VA	Deduction. If the QLTCI policy was purchased after 1/1/06, an individual may be eligible for a tax credit equal to 15% of the total premiums paid in the year for the first 12 months of coverage. Certain limitations apply. Other credits maybe be available for previously purchased policies
WA	No Credit Or Deduction. No Broad Based State Income Tax
WV	Deduction. A deduction is allowed for taxable years beginning on and after the first day of 1/1/00, for any payment during the taxable year for premiums for a QLTCI policy that offers coverage to either the taxpayer, spouse, parent or dependent, only to the extent the amount is not allowable as a deduction when arriving at the taxpayer's adjusted gross income. Premiums for QLTCI are those premiums as they defined in the West Virginia Code [Article 21 ' 11-21-12C, Chapter 11 (2000)] [WV Code Sections. 11-21-12c & 33-15A-4]
WI	Deduction. Allows a person to subtract from Federal adjusted gross income a portion of the amount paid for a QLTCI policy for taxpayer and his spouse when computing Wisconsin taxable income beginning on or after 1/1/98. [WIS. STAT. ' 71.05(6)(b)26 (1997)]
WY	No Credit Or Deduction. No Broad Based State Income Tax

* This information is current as of February 2008. Information provided courtesy of AALTCI and ACLI