

110TH CONGRESS
2D SESSION

H. R. 6237

To amend the Internal Revenue Code of 1986 to provide for a credit for long-term care insurance premiums and for taxpayers with long-term care needs.

IN THE HOUSE OF REPRESENTATIVES

JUNE 11, 2008

Mr. COURTNEY introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide for a credit for long-term care insurance premiums and for taxpayers with long-term care needs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Tax Relief for Long-
5 Term Care Act of 2008”.

1 **SEC. 2. CREDIT FOR LONG-TERM CARE INSURANCE PRE-**
2 **MIUMS AND FOR TAXPAYERS WITH LONG-**
3 **TERM CARE NEEDS.**

4 (a) IN GENERAL.—Subpart A of part IV of sub-
5 chapter A of chapter 1 of the Internal Revenue Code of
6 1986 (relating to nonrefundable personal credits) is
7 amended by inserting after section 25D the following new
8 section:

9 **“SEC. 25E. CREDIT FOR LONG-TERM CARE INSURANCE PRE-**
10 **MIUMS AND FOR TAXPAYERS WITH LONG-**
11 **TERM CARE NEEDS.**

12 “(a) ALLOWANCE OF CREDIT.—

13 “(1) IN GENERAL.—There shall be allowed as a
14 credit against the tax imposed by this chapter for
15 the taxable year an amount equal to the sum of—

16 “(A) eligible long-term care premiums (as
17 defined in section 213(d)(10)) paid during the
18 taxable year for coverage for the taxpayer and
19 the taxpayer’s spouse and dependents under a
20 qualified long-term care insurance contract (as
21 defined in section 7702B(b)); and

22 “(B) the long-term care amount multiplied
23 by the number of applicable individuals with re-
24 spect to whom the taxpayer is an eligible care-
25 giver for the taxable year.

1 “(2) LONG-TERM CARE AMOUNT.—For pur-
 2 poses of paragraph (1), the long-term care amount
 3 shall be determined in accordance with the following
 4 table:

| “For taxable years beginning in calendar year— | The long-term care amount is— |
|---|--|
| 2009 | \$1,000 |
| 2010 | \$1,500 |
| 2011 | \$2,000 |
| 2012 | \$2,500 |
| 2013 or thereafter | \$3,000. |

5 “(b) LIMITATION BASED ON ADJUSTED GROSS IN-
 6 COME.—

7 “(1) IN GENERAL.—The amount of the credit
 8 allowable under subsection (a) shall be reduced (but
 9 not below zero) by \$100 for each \$1,000 (or fraction
 10 thereof) by which the taxpayer’s modified adjusted
 11 gross income exceeds the threshold amount. For
 12 purposes of the preceding sentence, the term ‘modi-
 13 fied adjusted gross income’ means adjusted gross in-
 14 come increased by any amount excluded from gross
 15 income under section 911, 931, or 933.

16 “(2) THRESHOLD AMOUNT.—For purposes of
 17 paragraph (1), the term ‘threshold amount’ means—

18 “(A) \$150,000 in the case of a joint re-
 19 turn, and

20 “(B) \$75,000 in any other case.

21 “(3) COORDINATION.—For purposes of this sec-
 22 tion, the reduction under paragraph (1) shall be

1 treated as first being a reduction in the long-term
2 care amount to the extent thereof.

3 “(4) INDEXING.—In the case of any taxable
4 year beginning in a calendar year after 2009, each
5 dollar amount contained in paragraph (2) shall be
6 increased by an amount equal to the product of—

7 “(A) such dollar amount, and

8 “(B) the medical care cost adjustment de-
9 termined under section 213(d)(10)(B)(ii) for
10 the calendar year in which the taxable year be-
11 gins, determined by substituting ‘August 2008’
12 for ‘August 1996’ in subclause (II) thereof.

13 If any increase determined under the preceding sen-
14 tence is not a multiple of \$50, such increase shall
15 be rounded to the next lowest multiple of \$50.

16 “(c) DEFINITIONS.—For purposes of this section—

17 “(1) APPLICABLE INDIVIDUAL.—

18 “(A) IN GENERAL.—The term ‘applicable
19 individual’ means, with respect to any taxable
20 year, any individual who has been certified, be-
21 fore the due date for filing the return of tax for
22 the taxable year (without extensions), by a phy-
23 sician (as defined in section 1861(r)(1) of the
24 Social Security Act) as being an individual with

1 long-term care needs described in subparagraph
2 (B) for a period—

3 “(i) which is at least 180 consecutive
4 days, and

5 “(ii) a portion of which occurs within
6 the taxable year.

7 Notwithstanding the preceding sentence, a cer-
8 tification shall not be treated as valid unless it
9 is made within the 39½ month period ending
10 on such due date (or such other period as the
11 Secretary prescribes).

12 “(B) INDIVIDUALS WITH LONG-TERM CARE
13 NEEDS.—An individual is described in this sub-
14 paragraph if the individual meets any of the fol-
15 lowing requirements:

16 “(i) The individual is at least 6 years
17 of age and—

18 “(I) is unable to perform (with-
19 out substantial assistance from an-
20 other individual) at least 3 activities
21 of daily living (as defined in section
22 7702B(c)(2)(B)) due to a loss of
23 functional capacity, or

24 “(II) requires substantial super-
25 vision to protect such individual from

1 threats to health and safety due to se-
2 vere cognitive impairment and is un-
3 able to preform, without reminding or
4 cuing assistance, at least 1 activity of
5 daily living (as so defined) or to the
6 extent provided in regulations pre-
7 scribed by the Secretary (in consulta-
8 tion with the Secretary of Health and
9 Human Services), is unable to engage
10 in age appropriate activities.

11 “(ii) The individual is at least 2 but
12 not 6 years of age and is unable due to a
13 loss of functional capacity to perform
14 (without substantial assistance from an-
15 other individual) at least 2 of the following
16 activities: eating, transferring, or mobility.

17 “(iii) The individual is under 2 years
18 of age and requires specific durable med-
19 ical equipment by reason of a severe health
20 condition or requires a skilled practitioner
21 trained to address the individual’s condi-
22 tion to be available if the individual’s par-
23 ents or guardians are absent.

24 “(2) ELIGIBLE CAREGIVER.—

1 “(A) IN GENERAL.—A taxpayer shall be
2 treated as an eligible caregiver for any taxable
3 year with respect to the following individuals:

4 “(i) The taxpayer.

5 “(ii) The taxpayer’s spouse.

6 “(iii) An individual with respect to
7 whom the taxpayer is allowed a deduction
8 under section 151(c) for the taxable year.

9 “(iv) An individual who would be de-
10 scribed in clause (iii) for the taxable year
11 if the requirements of subparagraph (B)
12 are met with respect to the individual in
13 lieu of the support test under subsection
14 (c)(1)(D) or (d)(1)(C) of section 152.

15 “(B) RESIDENCY TEST.—The require-
16 ments of this subparagraph are met if an indi-
17 vidual has as his principal place of abode the
18 home of the taxpayer and—

19 “(i) in the case of an individual who
20 is an ancestor or descendant of the tax-
21 payer or the taxpayer’s spouse, is a mem-
22 ber of the taxpayer’s household for over
23 half the taxable year, or

1 “(ii) in the case of any other indi-
2 vidual, is a member of the taxpayer’s
3 household for the entire taxable year.

4 “(C) SPECIAL RULES WHERE MORE THAN
5 1 ELIGIBLE CAREGIVER.—

6 “(i) IN GENERAL.—If more than 1 in-
7 dividual is an eligible caregiver with re-
8 spect to the same applicable individual for
9 taxable years ending with or within the
10 same calendar year, a taxpayer shall be
11 treated as the eligible caregiver if each
12 such individual (other than the taxpayer)
13 files a written declaration (in such form
14 and manner as the Secretary may pre-
15 scribe) that such individual will not claim
16 such applicable individual for the credit
17 under this section.

18 “(ii) NO AGREEMENT.—If each indi-
19 vidual required under clause (i) to file a
20 written declaration under clause (i) does
21 not do so, the individual with the highest
22 adjusted gross income shall be treated as
23 the eligible caregiver.

24 “(iii) MARRIED INDIVIDUALS FILING
25 SEPARATELY.—In the case of married indi-

1 viduals filing separately, the determination
2 under this subparagraph as to whether the
3 husband or wife is the eligible caregiver
4 shall be made under the rules of clause (ii)
5 (whether or not one of them has filed a
6 written declaration under clause (i)).

7 “(d) IDENTIFICATION REQUIREMENT.—No credit
8 shall be allowed under this section to a taxpayer with re-
9 spect to any applicable individual unless the taxpayer in-
10 cludes the name and taxpayer identification number of
11 such individual, and the identification number of the phy-
12 sician certifying such individual, on the return of tax for
13 the taxable year.

14 “(e) TAXABLE YEAR MUST BE FULL TAXABLE
15 YEAR.—Except in the case of a taxable year closed by rea-
16 son of the death of the taxpayer, no credit shall be allow-
17 able under this section in the case of a taxable year cov-
18 ering a period of less than 12 months.

19 “(f) COORDINATION WITH OTHER DEDUCTIONS.—
20 Any amount paid by a taxpayer for any qualified long-
21 term care insurance contract to which subsection (a) ap-
22 plies shall not be taken into account in computing the
23 amount allowable to the taxpayer as a deduction under
24 section 162(l) or 213(a).”.

25 (b) CONFORMING AMENDMENTS.—

1 (1) Section 6213(g)(2) of such Code is amend-
2 ed by striking “and” at the end of subparagraph
3 (L), by striking the period at the end of subpara-
4 graph (M) and inserting “, and”, and by inserting
5 after subparagraph (M) the following new subpara-
6 graph:

7 “(N) an omission of a correct TIN or phy-
8 sician identification required under section
9 25E(d) (relating to credit for taxpayers with
10 long-term care needs) to be included on a re-
11 turn.”.

12 (2) The table of sections for subpart A of part
13 IV of subchapter A of chapter 1 of such Code is
14 amended by inserting after the item relating to sec-
15 tion 25D the following new item:

 “Sec. 25E. Credit for long-term care insurance premiums and for taxpayers
 with long-term care needs.”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2008.

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