

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1878 Session of  
1997

INTRODUCED BY E. Z. TAYLOR, CLYMER, MANDERINO, L. I. COHEN,  
DENT, RUBLEY, J. TAYLOR, VANCE, EGOLF, CAWLEY, DERMODY,  
McCALL, M. COHEN, LEDERER, MELIO, PESCI, STURLA, MILLER,  
SHANER, MICOZZIE, HERMAN, THOMAS, DALLY, GODSHALL, FLICK,  
JOSEPHS, CORPORA, SAYLOR, DRUCE, BENNINGHOFF, HENNESSEY,  
OLASZ, ROSS, LAUGHLIN, BARD, SATHER, RAMOS, C. WILLIAMS,  
BAKER, BELFANTI, CLARK, COY, DEMPSEY, FAIRCHILD, MAITLAND,  
McNAUGHTON, PRESTON, RAYMOND, READSHAW, SCHRODER, SCHULER,  
SEYFERT, B. SMITH, STEELMAN, SURRA, TIGUE, TRELLO, VAN HORNE,  
WALKO, YOUNGBLOOD AND BROWNE, OCTOBER 7, 1997

REFERRED TO COMMITTEE ON FINANCE, OCTOBER 7, 1997

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An  
2 act relating to tax reform and State taxation by codifying  
3 and enumerating certain subjects of taxation and imposing  
4 taxes thereon; providing procedures for the payment,  
5 collection, administration and enforcement thereof; providing  
6 for tax credits in certain cases; conferring powers and  
7 imposing duties upon the Department of Revenue, certain  
8 employers, fiduciaries, individuals, persons, corporations  
9 and other entities; prescribing crimes, offenses and  
10 penalties," providing for a tax credit for long-term care  
11 premiums paid by individuals.

12 The General Assembly of the Commonwealth of Pennsylvania  
13 hereby enacts as follows:

14 Section 1. Section 301 of the act of March 4, 1971 (P.L.6,  
15 No.2), known as the Tax Reform Code of 1971, is amended by  
16 adding a clause to read:

17 Section 301. Definitions.--The following words, terms and  
18 phrases when used in this article shall have the meaning

1 ascribed to them in this section except where the context  
2 clearly indicates a different meaning. Any reference in this  
3 article to the Internal Revenue Code shall include the Internal  
4 Revenue Code of 1954, as amended to the date on which this  
5 article is effective:

6 \* \* \*

7 (1.3) "Long-term care policy" means a policy for long-term  
8 care insurance as those terms are defined in section 1103 of the  
9 act of May 17, 1921 (P.L.682, No.284), known as "The Insurance  
10 Company Law of 1921."

11 \* \* \*

12 Section 2. The act is amended by adding a section to read:

13 Section 314.1. Long-Term Care Policy Premiums.--(a) A  
14 resident taxpayer shall be allowed a credit against the tax  
15 imposed by this article in an amount equal to the product of two  
16 and eight-tenths per cent and the portion of any premiums paid  
17 during the taxable year by the taxpayer for a long-term care  
18 policy for the taxpayer, the taxpayer's spouse, or both.

19 (b) The credit provided under this section shall not exceed  
20 the amount of the tax otherwise due under this article.

21 Section 3. This act shall take effect in 60 days.