

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 939 Session of
2005

INTRODUCED BY PIPPY, O'PAKE, COSTA, TARTAGLIONE, ORIE, RAFFERTY,
PILEGGI, D. WHITE, GREENLEAF, LOGAN, C. WILLIAMS AND KASUNIC,
OCTOBER 17, 2005

REFERRED TO FINANCE, OCTOBER 17, 2005

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 personal income tax credit for
11 long-term care premiums paid by individuals; and imposing
12 duties on the Secretary of the Commonwealth and the
13 Legislative Reference Bureau.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

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

19 Section 301. Definitions.--The following words, terms and
20 phrases when used in this article shall have the meaning
21 ascribed to them in this section except where the context
22 clearly indicates a different meaning. Unless specifically
23 provided otherwise, any reference in this article to the

1 Internal Revenue Code shall include the Internal Revenue Code of
2 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.), as amended to
3 January 1, 1997:

4 * * *

5 (1.3) "Long-term care policy" means a policy for long-term
6 care insurance as those terms are defined in section 1103 of the
7 act of May 17, 1921 (P.L.682, No.284), known as "The Insurance
8 Company Law of 1921."

9 * * *

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

11 Section 314.1. Long-Term Care Policy Premiums.--(a) A
12 resident taxpayer shall be allowed a credit against the tax
13 imposed by this article in an amount equal to the lesser of
14 fifty per cent of any premiums paid during the taxable year by
15 the taxpayer for a long-term care policy for the taxpayer, the
16 taxpayer's spouse, or both, or one thousand dollars (\$1,000).

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

19 Section 3. The addition of sections 301(1.3) and 314.1 of
20 the act shall apply to taxable years beginning after December
21 31, 2004.

22 Section 4. If a constitutional amendment authorizing a
23 personal income tax credit for long-term care premiums is
24 ratified, the Secretary of the Commonwealth shall, immediately
25 after tabulating and computing the returns of the ratification
26 election, certify the result to the Legislative Reference Bureau
27 for publication as a notice in the Pennsylvania Bulletin.

28 Section 5. This act shall take effect as follows:

29 (1) The addition of section 314.1 of the act shall take
30 effect upon publication of the notice under section 4.

1 (2) The remainder of this act shall take effect
2 immediately.