

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 138 Session of 2009

INTRODUCED BY GODSHALL, BAKER, BEAR, BELFANTI, BENNINGHOFF,
BOYD, CALTAGIRONE, DENLINGER, ELLIS, FABRIZIO, FAIRCHILD,
FLECK, GEIST, GIBBONS, GROVE, HESS, HUTCHINSON, M. KELLER,
KILLION, KORTZ, KOTIK, MICOZZIE, MILLER, MURT, MUSTIO,
PICKETT, PYLE, RAPP, READSHAW, REICHLEY, ROAE, ROCK, ROHRER,
K. SMITH, STABACK, STERN, VULAKOVICH AND HARPER,
JANUARY 30, 2009

REFERRED TO COMMITTEE ON FINANCE, JANUARY 30, 2009

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.--Any reference in this article to
20 the Internal Revenue Code of 1986 shall mean the Internal
21 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.),

1 as amended to January 1, 1997, unless the reference contains the
2 phrase "as amended" and refers to no other date, in which case
3 the reference shall be to the Internal Revenue Code of 1986 as
4 it exists as of the time of application of this article. The
5 following words, terms and phrases when used in this article
6 shall have the meaning ascribed to them in this section except
7 where the context clearly indicates a different meaning:

8 * * *

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

13 * * *

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

15 Section 314.1. Long-Term Care Policy Premiums.--(a) A
16 resident taxpayer shall be allowed a credit against the tax
17 imposed by this article in an amount equal to the lesser of
18 twenty per cent of any premiums paid during the taxable year by
19 the taxpayer for a long-term care policy for the taxpayer, the
20 taxpayer's spouse, or both, or five hundred dollars (\$500).

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

23 Section 3. The addition of sections 301(1.3) and 314.1 of
24 the act shall apply to taxable years beginning after December
25 31, 2006.

26 Section 4. If a constitutional amendment authorizing a
27 personal income tax credit for long-term care premiums is
28 ratified, the Secretary of the Commonwealth shall, immediately
29 after tabulating and computing the returns of the ratification
30 election, certify the result to the Legislative Reference Bureau

1 for publication as a notice in the Pennsylvania Bulletin.

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

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

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