

By: Senator(s) Nunnelee

To: Finance

SENATE BILL NO. 2372

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR PREMIUMS PAID  
2 DURING THE TAXABLE YEAR FOR CERTAIN QUALIFIED LONG-TERM CARE  
3 INSURANCE POLICIES; TO LIMIT THE MAXIMUM AMOUNT OF THE CREDIT; TO  
4 PROVIDE THAT ANY UNUSED TAX CREDIT SHALL NOT BE ALLOWED TO BE  
5 CARRIED FORWARD TO APPLY TO THE TAXPAYER'S SUCCEEDING YEARS' TAX  
6 LIABILITY; AND FOR RELATED PURPOSES.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8 **SECTION 1.** (1) A taxpayer shall be allowed a credit against  
9 the income taxes imposed under this chapter in an amount equal to  
10 twenty-five percent (25%) of the premium costs paid during the  
11 taxable year for a qualified long-term care insurance policy as  
12 defined in Section 7702B of the Internal Revenue Code that offers  
13 coverage to either the individual, the individual's spouse, the  
14 individual's parent or parent-in-law, or the individual's  
15 dependent as defined in Section 152 of the Internal Revenue Code.

16 (2) No taxpayer shall be entitled to the credit with respect  
17 to the same expended amounts for qualified long-term care  
18 insurance which are claimed by another taxpayer.

19 (3) The credit allowed by this section shall not exceed Five  
20 Hundred Dollars (\$500.00) or the taxpayer's income tax liability,  
21 whichever is less, for each qualified long-term care insurance  
22 policy. Nevertheless, if a taxpayer's income tax liability is  
23 less than the amount of the credit that could be claimed in that  
24 year, the taxpayer's spouse or dependent may claim any unused  
25 portion of the credit as a credit against the spouse's or  
26 dependent's tax liability for the same year. Any unused tax  
27 credit shall not be allowed to be carried forward to apply to the  
28 taxpayer's succeeding year's tax liability.

29           (4) No credit shall be allowed under this section with  
30 respect to any premium for qualified long-term care insurance  
31 either deducted or subtracted by the taxpayer in arriving at his  
32 net taxable income under this section or with respect to any  
33 premiums for qualified long-term care insurance which were  
34 excluded from his net taxable income.

35           **SECTION 2.** Section 1 of this act shall be codified in  
36 Chapter 7, Title 27, Mississippi Code of 1972.

37           **SECTION 3.** This act shall take effect and be in force from  
38 and after January 1, 2006.