Bill Analysis

Peter A. Cooper — *Legislative Service Commission*

H.B. 33

123rd General Assembly
(As Introduced)

Reps. Jolivette, Evans, Jacobson, Mottley, Schuler, Metelsky

BILL SUMMARY

- Creates a state income tax deduction for amounts paid by a taxpayer for long-term care insurance premiums, commencing in 1998.

CONTENT AND OPERATION

Deduction for long-term care insurance

(sec. 5747.01)

The bill authorizes taxpayers, in computing income taxable by Ohio, to deduct amounts paid for long-term care insurance. The bill uses an existing definition of "long-term care insurance" (sec. 3923.41, not in the bill):

> any insurance policy or rider advertised, marketed, offered, or designed to provide coverage for not less than one year for each covered person on an expense incurred, indemnity, prepaid or other basis, for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting other than an acute care unit of a hospital.

The existing definition indicates the types of policies and benefits included in and excluded from that definition.

Under existing federal law, taxpayers may deduct long-term care insurance premiums along with other medical expenses, but only to the extent the total of those expenses exceeds 7.5% of the taxpayer's federal adjusted gross income. The federal deduction does not affect a taxpayer's Ohio taxable income.

The deduction may first be taken for 1999. (Section 3.)

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	01-20-99	p. 90

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