LONG–TERM CARE INSURANCE
STATE TAX CHART

State	Credit or Deduction	Summary of Deduction or Credit
ALABAMA	**DEDUCTION**	**For tax years beginning on or after 01/01/1998.** Permits a medical expense deduction for a portion of the premiums paid for qualified long term care coverage under a policy that meets the requirements of Alabama. To be deductible in Alabama, all medical expenses must be greater than 4% of the Adjusted Gross Income (AGI).
ARKANSAS	**DEDUCTION** .	**Effective October 2, 1997.** "Eligible" long-term care insurance premiums may be deductible as medical expenses when such premiums are paid towards "qualified" long term care insurance. The definition of "qualified" long-term care insurance is set forth in IRC Sec. 7702B (b) (1). This deduction for unreimbursed medical expenses can be taken only to the extent such expenses exceed 7.5% of the taxpayer's AGI
ARIZONA	**DEDUCTION**	**Itemized deduction** is allowed for medical expenses (which include long term care premiums) with no limitation.
CALIFORNIA	**DEDUCTION**	**For tax years beginning on or after 1/1/97.** Permits the same tax deduction as is allowed for federal income tax purposes for premiums paid for the purchase of qualified long-term care insurance.
COLORADO	**CREDIT**	**For tax years beginning on or after 01/01/2000.** State income tax credit equal to the lesser of 25% of premiums paid for a long-term care insurance policy or $150.00 per policy. Individuals who qualify for the credit are those with federal taxable income less than $50,000 ($100,000 for joint filers claiming a credit for 2 policies). A long-term care policy must meet Colorado's definition of Long-Term Care.
DELAWARE	**DEDUCTION**	**Itemized deductions** are allowed to extent they are allowed for federal income tax purposed. Even if you don't itemize for federal taxes you can deduct the sum of the itemized deductions to which you would have been entitled has you itemized on federal return.
GEORGIA	**DEDUCTION**	**You can deduct** payment of Long Term Care Insurance premiums to the extent deduct on the federal return.
HAWAII	**DEDUCTION**	**For tax years beginning on or after 01/01/1999.** For tax years beginning on or after 1/1/99, an individual state tax deduction is allowed for long-term care insurance premiums. This deduction is limited in the same manner as the deduction on the federal level, and is also only available to the extent that all medical expenses, including Long-Term Care exceed 7.5% of Hawaii Adjusted Gross Income.

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LONG–TERM CARE INSURANCE
STATE TAX CHART

State	Credit or Deduction	Summary of Deduction or Credit
IDAHO	**DEDUCTION**	**For taxable years commencing on or after 01/01/ 2004**, premiums paid during the taxable year, by a taxpayer for long-term care insurance, which long-term care insurance is to be for the benefit of the taxpayer, a dependent of the taxpayer or an employee of the taxpayer, may be deducted from taxable income to the extent that the premium is not otherwise deducted or accounted for by the taxpayer for Idaho income tax purposes. The deduction may be taken for a federally tax-qualified long-term care insurance policy meeting Idaho's definition of long-term care insurance. Prior to 01/01/2004, prior law permitted a taxpayer to deduct half of the premiums paid for long term care insurance for the taxpayer, the taxpayers spouse or dependent of employee if the premium is not otherwise deductible. After 01/01/2004, the limitation and allows the deduction for the full amount of the premiums.
INDIANA	**DEDUCTION** ***This deduction applies only to Indiana Partnership Policies.***	**For tax years beginning on or after January 1, 2000,** an individual taxpayer is permitted to deduct an amount equal to the eligible portion of premiums paid during the taxable year by the taxpayer for a qualified long-term care policy (as defined in the Indiana Code, for the taxpayer, the taxpayer's spouse, or both). Deduction only applies to the Partnership program**. For self-employed individuals** the deduction is reduced to the extent the deduction is taken on the federal return. **See: Ind. Code § 6-3-1-3.5 and** **§ 12-15-39.6.5 (Qualified Long-Term Care Policy)**
IOWA	**DEDUCTION**	**For tax years beginning on or after January 1, 1997**, permits tax deduction from net income for premiums paid for LTC coverage to the same extent allowable under federal law and to the extent not otherwise deducted in computing Adjusted Gross Income.
KANSAS	**DEDUCTION**	**For tax years beginning on or after January 1, 2005,** HB 2545 permits tax deduction from net income for premiums paid for qualified LTC insurance for up to $500. The deduction is increased by $100 each year to a max of $1,000.
KENTUCKY	**DEDUCTION**	**For tax years beginning on or after January 1, 1999**, a taxpayer may exclude from Kentucky Adjusted Gross Income any amounts paid for long-term care insurance as defined in the Kentucky Code.
MAINE	**DEDUCTION**	**Beginning on or after 01/01/2004.** Directive 1813 provides a state tax deduction for qualified LTC insurance premiums as long as the amount deducted is reduced by any amount deducted on federal taxes and by any LTC premiums claimed as an itemized deduction pursuant to section 5125.

LONG–TERM CARE INSURANCE
STATE TAX CHART

State	Credit or Deduction	Summary of Deduction or Credit
MARYLAND	**CREDIT**	**For tax years beginning on or after January 1, 2000**, an individual may claim a credit equal to 100% of "eligible long-term care premiums" paid during the taxable year for long-term care insurance covering the individual or the individual's spouse, parent, stepparent, child or stepchild. Credit may not exceed $500 for each insured, and may not be claimed with respect to an insured if the insured individual was covered by long-term care insurance at any time before 7/1/2000, or the credit has been claimed with respect to that insured individual by any taxpayer for any prior taxable year. Establishes the total amount of the tax credit may not exceed the state income tax for that taxable year. The unused amount of the credit for any taxable year may not be carried over to any other taxable year. For Maryland purposes, "eligible LTC premiums" have the same definition as under Section 213(d) (10) of the federal tax law.
MASSACHUSETTS	**DEDUCTION**	Self-employed individuals are entitled to a deduction for 100% of amounts paid for medical care insurance (includes qualified long-term care insurance premiums) paid for the taxpayer and his spouse or dependents as allowed federally under Internal Revenue cod section 162 (I).
MINNESOTA	**CREDIT** For tax years beginning on or after 1/1/99.	**For tax years beginning on or after January 1, 1999**, a taxpayer is allowed a tax credit for premiums paid during the tax year for long-term care insurance. The Credit for each policy is equal to the lesser of 25% of premiums paid to the extent not deducted in determining federal taxable income OR $100. Maximum allowable credit per year is $200 for couples filing jointly and $100 for all other filers.
MISSOURI	**DEDUCTION**	**For tax years beginning on or after January 1, 2000**, an individual may take a state tax deduction equal to 50% of unreimbursed payments for qualified long-term care insurance premiums (as defined by Missouri LTC statutes) which are not included in an individual's itemized deductions.
MONTANA	**DEDUCTION**	**For Tax Years Beginning on or after 1/1/95 or 1/1/97** (depending on the beneficiary of the LTC insurance policy) A deduction is generally allowed for the entire amount of qualified long-term care premiums paid by the taxpayer. A deduction will not be allowed, however, for premiums deducted in determining MT adjusted gross income, or for which a credit was claimed for qualified long-term care insurance policies or certificates. This deduction is generally available for taxpayers on policies covering themselves on or after January 1, 1995; and on policies covering the taxpayer's dependents, parents and grandparents for tax years beginning on or after January 1, 1997.

LONG–TERM CARE INSURANCE
STATE TAX CHART

State	Credit or Deduction	Summary of Deduction or Credit
MONTANA	**CREDIT**	**For tax years beginning on or after 1/1/89.** A limited credit is available for expense of caring for certain elderly family members (which includes premiums paid for long-term care insurance coverage). The amount of credit is determined based on the taxpayer's adjusted gross income and cannot exceed $5,000 per qualifying family member in a taxable year ($10,000 for two or more family members).
NEBRASKA	**DEDUCTION**	An individual taxpayer who itemizes his deductions is permitted to deduct premiums paid for qualified long term care insurance to the same extend as he can for federal tax purposes.
NEW JERSEY	**DEDUCTION**	Allows a deduction for medical expenses (including long-term care insurance premiums), to the extent such expenses exceed 2% of taxpayer's gross income.
NEW MEXICO	**DEDUCTION**	Permits a deduction for the premium paid for a qualified long-term care insurance contract as defined in Code section 7702(B), as part of unreimbursed or uncompensated medical care expenses. Total medical expenses deduction is limited, based on income level.
NEW MEXICO	**CREDIT**	**For tax years beginning on or after 1/1/05.** A taxpayer who files an individual New Mexico income tax return, age 65 or older and not a dependent of another taxpayer may claim a credit in an amount of $2,800 (as well as an additional exemption from income of $3,000) for medical care expenses (includes qualified LTC premiums) paid by the taxpayer for him or his spouse and dependents if those expenses equal $28,000 or more within a taxable year and if those expenses are not reimbursed or compensated.
NEW YORK	**CREDIT**	**For tax years beginning on or after 1/1/04.** Allows a tax credit equal to 20% (previously 10%) of the premium paid during the taxable year for long-term care insurance.
NORTH CAROLINA	**DEDUCTION**	An individual taxpayer who itemizes his deductions Is permitted to deduct premiums paid for qualified long term care insurance to the same extent as he can for federal tax purposes.

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STATE TAX CHART

State	Credit or Deduction	Summary of Deduction or Credit
NORTH DAKOTA	**CREDIT**	**For tax years beginning on or after 1/1/97.** Credit against an individual's tax liability provided to each taxpayer in the amount of 25% of any premiums paid by the taxpayer for long-term care insurance coverage for the taxpayer, a taxpayer's spouse, parent, stepparent, or child. The credit cannot exceed $100 for each insured individual in any taxable year.
OHIO	**DEDUCTION**	**For tax years beginning on or after 01/01/99** Generally allows a deduction for the amount paid for qualified long-term care insurance for the taxpayer, his spouse, and dependents (but only to the extent not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income).
OKLAHOMA	**DEDUCTION**	Permits the same tax deduction as is allowed for federal income tax purposes.
OREGON	**CREDIT**	**For tax years beginning on or after 1/1/2000.** Permits an income tax credit equal to the lesser of 15% of long-term care insurance premiums paid by a taxpayer or $500 if the long-term care Insurance is covering the individual and dependents or parents. In order for the credit to be available the policy must be issued after January 1, 2000. The credit is not refundable and cannot be carried forward. If the long term care insurance coverage is for Oregon-based employees of the taxpayer and their dependents or parents, $500 multiplied by the number of employees covered
RHODE ISLAND	**DEDUCTION**	An individual taxpayer who itemizes deduction is permitted to deduct premiums paid for qualified long term care insurance to the same extent as he can for federal tax purposes.
SOUTH CAROLINA	**DEDUCTION**	An individual taxpayer who itemizes deduction is permitted to deduct premiums paid for qualified long term care insurance to the same extent as he can for federal tax purposes.

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State	Credit or Deduction	Summary of Deduction or Credit
UTAH	**DEDUCTION**	**For tax years beginning on or after 01/01/2000.** Permits a deduction for all resident or nonresident taxpayers for all premiums paid for long-term care insurance as defined under the Utah Code to the extent the amount was not deducted in determining federal taxable income.
VERMONT	**DEDUCTION**	An individual taxpayer who itemizes deduction is permitted to deduct premiums paid for qualified long term care insurance to the same extent as he can for federal tax purposes.
VIRGINIA	**DEDUCTION**	**For tax years beginning on or after 01/01/00.** The amount paid in long-term care premiums may be deducted from federal adjusted gross income in computing VA taxable income. The deduction is only allowed if the individual did not claim a deduction for these premiums for federal income tax purposes.
WASHINGTON, DC	**DEDUCTION**	**For tax years beginning on or after 01/01/05** Amends Section 47-1803.03 of the District of Columbia Code to establish a tax deduction for premiums paid for the purchase of long-term care insurance policies provided that the deduction does not exceed $500 per year, per individual, whether the individual files individually or jointly.
WEST VIRGINIA	**DEDUCTION**	**For tax years beginning on or after 01/01/00.** A deduction is allowed for resident taxpayers for amounts paid during the taxable year for premiums for long-term care insurance as defined in the West Virginia Code, for taxpayer, taxpayer's spouse, parent or dependent, from the federal adjusted gross income reported on the WVA state tax return. A deduction is allowed on the state level only to the extent the amount is not allowable as a deduction for purposes of determining the taxpayer's federal adjusted gross income for the year of payment.

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WISCONSIN	**DEDUCTION**	**For tax years beginning on or after 01/01/98.** Allows a person to subtract from federal adjusted gross income a portion of the amount paid for a long-term care insurance policy for taxpayer and his spouse when computing Wisconsin taxable income. The deduction is not available on the state level to the extent a deduction was taken for these premiums on the federal return. Also the amount claimed as a deduction from LTC in calculation of federal taxable income is excluded from the Wisconsin itemized deductions credit.

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STATE TAX CHART

State	Credit or Deduction	Summary of Deduction or Credit

The following states do not have any provisions for deductions or credits for the payment of LTC premiums. They obviously would be good candidates for legislative change in this area.

Alaska
Connecticut
Florida
Kansas
Louisiana
Nebraska
Nevada
New Hampshire
Pennsylvania
South Dakota
Tennessee
Texas
Vermont
Washington
Wyoming

The following states provide tax incentives for employer groups:

Illinois -deduction - for self- employed taxpayers, partners and Sub S shareholders (sunsets 12/31/04)
Maryland - credit for sitused employer groups

The following state provides a tax incentive for certificateholders under a policy qualified as an Indiana Partnership:

Indiana - deduction for Partnership policies only

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