

1 AN ACT in relation to taxes.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Illinois Income Tax Act is amended by
5 adding Section 213 as follows:

6 (35 ILCS 5/213 new)

7 Sec. 213. Tax credit for long term care insurance
8 premiums. Beginning with taxable years ending on or after
9 December 31, 2001, an individual taxpayer is entitled to a
10 credit against the tax imposed by subsections (a) and (b) of
11 Section 201 in an amount equal to 15% of the premium costs
12 paid by the taxpayer during the taxable year for a qualified
13 long term care insurance contract as defined by Section 7702B
14 of the Internal Revenue Code that offers coverage to either
15 the individual or the individual's spouse, parent, or
16 dependent as defined in Section 152 of the Internal Revenue
17 Code. The credit allowed under this Section may not exceed
18 \$200 for each qualified long term care policy or the amount
19 of the taxpayer's liability under this Act, whichever is
20 less. A taxpayer is not entitled to the credit with respect
21 to amounts expended for the same qualified long term care
22 insurance contract that are claimed by another taxpayer. If
23 the amount of the credit exceeds the taxpayer's liability
24 under this Act for the year, then the excess may not be
25 carried forward to apply to the taxpayer's liability for the
26 succeeding year. The provisions of Section 250 do not apply
27 to the credit under this Section.

28 Section 99. Effective date. This Act takes effect on
29 January 1, 2002.