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HOUSE BILL NO. 1191

Offered January 9, 2008

Prefiled January 9, 2008

A *BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.12, relating to income tax credits for employer-provided long-term care insurance premiums.*

Patron—Moran

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.12 as follows:

§ 58.1-339.12. Long-term care insurance premiums tax credit.

A. *For taxable years beginning on or after January 1, 2008, any employer who pays for the annual long-term care insurance premium on behalf of each employee shall be entitled to a credit against the tax levied pursuant to §§ 58.1-320 and 58.1-400. The amount of the credit for each taxable year shall be equal to 20 percent of the amount paid during the taxable year by the employer in long-term care insurance premiums for each employee.*

The credits authorized by this section shall be available to employers with businesses having 50 or fewer full-time employees. Any credit amount that exceeds the employer's tax liability for the taxable year shall be returned to the employer as a refund.

B. *To claim the credit authorized under this section, the employer shall attach to the income tax return proof of payment for the long-term care insurance premiums. The Tax Commissioner shall establish guidelines regarding the information to include and the format for such proof of payment. Such guidelines shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq.).*

C. *An employer may not claim a credit under this section and a deduction for federal income tax purposes in the same taxable year for long-term care insurance premiums paid on behalf of an employee.*

INTRODUCED

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