

106TH CONGRESS
1ST SESSION

S. 35

To amend the Internal Revenue Code of 1986 to allow a deduction for the long-term care insurance costs of all individuals who are not eligible to participate in employer-subsidized long-term care health plans.

IN THE SENATE OF THE UNITED STATES

JANUARY 19, 1999

Mr. GRASSLEY (for himself, Mr. GRAHAM, and Mr. BREAU) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow a deduction for the long-term care insurance costs of all individuals who are not eligible to participate in employer-subsidized long-term care health plans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Long-Term Care Af-
5 fordability and Availability Act of 1999”.

1 **SEC. 2. DEDUCTION FOR LONG-TERM CARE HEALTH INSUR-**
 2 **ANCE COSTS FOR INDIVIDUALS NOT ELIGI-**
 3 **BLE TO PARTICIPATE IN EMPLOYER-SUB-**
 4 **SIDIZED LONG-TERM CARE HEALTH PLANS.**

5 (a) IN GENERAL.—Part VII of subchapter B of chap-
 6 ter 1 of the Internal Revenue Code of 1986 (relating to
 7 additional itemized deductions) is amended by redesignat-
 8 ing section 222 as section 223 and by inserting after sec-
 9 tion 221 the following new section:

10 **“SEC. 222. QUALIFIED LONG-TERM CARE INSURANCE**
 11 **COSTS.**

12 “(a) IN GENERAL.—In the case of an individual,
 13 there shall be allowed as a deduction an amount equal to
 14 the amount of the eligible long-term care premiums (as
 15 defined in section 213(d)(10)) paid during the taxable
 16 year for coverage of the taxpayer and the spouse and de-
 17 pendants of the taxpayer.

18 “(b) LIMITATION BASED ON OTHER COVERAGE.—
 19 Subsection (a) shall not apply to any taxpayer for any cal-
 20 endar month for which the taxpayer is eligible to partici-
 21 pate in any subsidized long-term care plan maintained by
 22 any employer of the taxpayer or of the spouse of the tax-
 23 payer. For purposes of the preceding sentence, the term
 24 ‘subsidized long-term care plan’ means a subsidized health
 25 plan which includes primarily coverage for qualified long-
 26 term care services (as defined in section 7702B(c)) or is

1 a qualified long-term care insurance contract (as defined
2 in section 7702B(b)).

3 “(c) SPECIAL RULES.—

4 “(1) COORDINATION WITH MEDICAL DEDUC-
5 TION.—Any amount paid by a taxpayer for insur-
6 ance to which subsection (a) applies shall not be
7 taken into account in computing the amount allow-
8 able to the taxpayer as a deduction under section
9 213(a).

10 “(2) DEDUCTION NOT ALLOWED FOR SELF-EM-
11 PLOYMENT TAX PURPOSES.—The deduction allow-
12 able by reason of this section shall not be taken into
13 account in determining an individual’s net earnings
14 from self-employment (within the meaning of section
15 1402(a)) for purposes of chapter 2.”

16 (b) CONFORMING AMENDMENTS.—

17 (1) Subparagraph (C) of section 162(l)(2) of
18 such Code is amended to read as follows:

19 “(C) LONG-TERM CARE PREMIUMS.—No
20 deduction shall be allowed under this subsection
21 for premiums on any qualified long-term care
22 insurance contract (as defined in section
23 7702B(b)).”

1 (2) Subsection (a) of section 62 of such Code
 2 is amended by inserting after paragraph (17) the
 3 following new paragraph:

4 “(18) LONG-TERM CARE INSURANCE COSTS OF
 5 CERTAIN INDIVIDUALS.—The deduction allowed by
 6 section 222.”

7 (3) The table of sections for part VII of sub-
 8 chapter B of chapter 1 of such Code is amended by
 9 striking the last item and inserting the following
 10 new items:

 “Sec. 222. Qualified long-term care insurance costs.
 “Sec. 223. Cross reference.”

11 (c) EFFECTIVE DATE.—The amendments made by
 12 this section shall apply to taxable years beginning after
 13 December 31, 1998.

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