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SENATE BILL 809

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Kent L. Cravens

AN ACT

RELATING TO TAXATION; CREATING AN INCOME TAX DEDUCTION FOR
PREMIUMS FOR LONG-TERM CARE INSURANCE CONTRACTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted
to read:

"~~[NEW MATERIAL]~~ DEDUCTION-- UNREIMBURSED OR UNCOMPENSATED
MEDICAL CARE EXPENSES. --

A. A taxpayer may claim a deduction from net income
in an amount equal to the premiums for a long-term care
insurance contract paid by the taxpayer during the taxable year
if the premiums have not been included in the taxpayer's
itemized deductions, as defined in Section 63 of the Internal
Revenue Code, for the taxable year.

B. As used in this section, "long-term care

underscoring material = new
[bracketed material] = delete

1 insurance contract" means a qualified long-term care insurance
2 contract as defined in Section 7702B(b) of the Internal Revenue
3 Code.

4 C. A husband and wife who file separate returns for
5 a taxable year in which they could have filed a joint return
6 may each claim only one-half of the deduction pursuant to this
7 section that would have been allowed on a joint return."

8 Section 2. APPLICABILITY.--The provisions of this act
9 apply to taxable years beginning on or after January 1, 2005.