

Fiscal Analysis
INCOME TAX;LONG-TERM CARE PREMIUMS
DEDUCTION



Bill/Sponsor **HOUSE BILL 4292 AS INTRODUCED, Rep. Christopher Ward**

House Committee Tax Policy

Analysis **Summary**
House Bill (HB) 4292 as introduced would amend the income tax act to allow taxpayers to deduct from taxable income premiums paid to obtain long-term care benefits, to the extent not deducted in calculating adjusted gross income, beginning in tax year 2003.

Fiscal Impact
Based on data from the Bureau of the Census and the National Association of Insurance Commissioners, HB 4292 would reduce income tax revenue by an estimated \$9.4 million in fiscal year (FY) 2002-03 and by \$13.0 million in FY 2003-04. Approximately 77% of this reduction would affect the General Fund/General Purpose and 23% would affect the School Aid Fund.

Analyst(s)
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COMMITTEE ANALYSIS - 9/25/03

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