

Joseph Soper



## Bill Summary

This bill:

-Increases the amount of federal taxable income a taxpayer may have and still qualify for the state income tax credit for purchasing long-term care insurance and annually adjusts that federal taxable income amount for inflation; and

-Doubles the amount of the credit a taxpayer may claim and, for income tax years commencing on or after January 1, 2026, annually adjusts the credit amount for inflation.

## Issue

**-Rising Costs of Long-Term Care:** Nursing home costs exceed \$100,000 annually, and in-home care is also expensive, making long-term care unaffordable for many.

**-Preventing Financial Hardship and Reducing Medicaid Dependency:** Many deplete their savings before qualifying for Medicaid. A tax credit would promote insurance coverage, easing reliance on government aid.

**-Encouraging Personal Responsibility and Early Planning:** High costs cause delays in purchasing insurance. A tax credit would incentivize early coverage, improving financial preparedness.

## Solution

HB25-1045 offers a pragmatic solution to the growing need for long-term care insurance by expanding eligibility and increasing credit amounts for middle-income families. This bill creates a more economically viable and sustainable system for long-term care insurance, benefitting both individuals and the state's budget. By increasing income eligibility and expanding the credit amount, the bill broadens access to long-term care insurance for a wider portion of the population, particularly middle-income families. The provisions for inflation adjustments ensure that the credit and eligibility limits maintain their value over time, keeping the policy-relevant and effective in addressing future demographic challenges.

## HB25-1045: Concerning the Modification of the State Income Tax Credit for Purchasing Long-Term Care Insurance

**House Sponsors: Representative Joseph**

**Senate Sponsors: Senator Liston**

**Supported By:**

