



Claim for Long-Term Care Insurance Credit

Tax Law - Section 606(aa)

| | |
|----------------------------|---------------------------------------|
| Name(s) as shown on return | Identifying number as shown on return |
|----------------------------|---------------------------------------|

Submit this form with Form IT-201, IT-203, IT-204, or IT-205.

Schedule A – Individuals (including sole proprietors), partnerships, and fiduciaries

| | | |
|--|---|------------|
| 1 Qualified long-term care insurance premiums paid for the current tax year (see instructions) | 1 | .00 |
| 2 Credit rate (20%) | 2 | .20 |
| 3 Credit for qualified long-term care insurance (multiply line 1 by line 2) | 3 | .00 |

Fiduciaries: Include the amount from line 3 in the *Total* line of Schedule D, column C.

All others: Enter the amount from line 3 on Schedule E, line 8.

Schedule B – Partnership, S corporation, estate, and trust information (see instructions)

If you were a partner in a partnership, a shareholder of a New York S corporation, or a beneficiary of an estate or trust and received a share of the long-term care insurance credit from that entity, complete the following information for each partnership, New York S corporation, estate, or trust. For *Type*, enter **P** for partnership, **S** for S corporation, or **ET** for estate or trust.

| Name of entity | Type | Employer ID number |
|----------------|------|--------------------|
| | | |
| | | |

Schedule C – Partner’s, shareholder’s, or beneficiary’s share of credit (see instructions)

| | | | | |
|----------------------------------|---|--|---|-----|
| Partner | 4 | Enter your share of the credit from your partnership | 4 | .00 |
| S corporation shareholder | 5 | Enter your share of the credit from your S corporation | 5 | .00 |
| Beneficiary | 6 | Enter your share of the credit from the fiduciary’s Form IT-249, Schedule D, column C | 6 | .00 |
| | 7 | Totals (add lines 4, 5, and 6) | 7 | .00 |

Fiduciaries: Include the amount from line 7 in the *Total* line of Schedule D, column C.

All others: Enter the amount from line 7 on Schedule E, line 9.

Schedule D – Beneficiary’s and fiduciary’s share of credit (see instructions)

| A Beneficiary’s name (same as on Form IT-205, Schedule C) | B Identifying number | C Share of qualified long-term care insurance credit |
|--|-------------------------|---|
| Total (enter the amount from Schedule A, line 3, plus the amount from Schedule C, line 7) | | .00 |
| | | .00 |
| | | .00 |
| Fiduciary | | .00 |

(continued on back)



Schedule E – Computation of credit available for the current year

| | | | | |
|--|-----------|---|-----------|-----|
| Individuals and partnerships | 8 | Enter the amount from Schedule A, line 3 | 8 | .00 |
| Partners, S corporation shareholders, beneficiaries | 9 | Enter the amount from Schedule C, line 7 | 9 | .00 |
| Fiduciaries | 10 | Enter the amount from Schedule D, <i>Fiduciary</i> line, column C | 10 | .00 |
| | 11 | Total credit available for the current year (add lines 8, 9, and 10) | 11 | .00 |

Full-year NYS resident individuals, estates, and trusts: Complete Schedule F and Schedule H.
Nonresident and part-year resident individuals, estates, and trusts: Complete Schedule G and Schedule H.
Partnerships: Enter the line 11 amount on Form IT-204, line 145.

Schedule F – Full-Year New York State residents computation of total credit

| | | |
|--|------------|-----|
| 12a If your NYAGI is less than \$250,000, enter the amount from line 11, otherwise enter 0 | 12a | .00 |
| 12b Enter the amount from line 12a or \$1,500, whichever is less | 12b | .00 |
| 13 Enter the carryover credit from last year's Form IT-249 | 13 | .00 |
| 14 Total credit (add lines 12b and 13; complete Schedule H) | 14 | .00 |

Schedule G – New York State nonresidents and part-year residents computation of total credit

| | | |
|---|------------|-----|
| 15 If your NYAGI is less than \$250,000, enter the amount from line 11, otherwise enter 0 | 15 | .00 |
| 16 Income percentage from this year's Form IT-203, line 45, or Form IT-205-A, line 12 (if the income percentage is more than 100% (1.0000), enter 1.0000)..... | 16 | |
| 17a Nonresident and part-year resident credit (multiply line 15 by line 16) | 17a | .00 |
| 17b Enter the amount from line 17a or \$1,500, whichever is less | 17b | .00 |
| 18 Enter the carryover credit from last year's Form IT-249 | 18 | .00 |
| 19 Total credit (add lines 17b and 18; complete Schedule H)..... | 19 | .00 |

Schedule H – Computation of credit used and carried over

| | | |
|---|-----------|-----|
| 20 Tax due before credits (see instructions) | 20 | .00 |
| 21 Credits applied against the tax before this credit (see instructions) | 21 | .00 |
| 22 Net tax (subtract line 21 from line 20) | 22 | .00 |
| 23 Credit used for the current tax year (see instructions) | 23 | .00 |
| 24 Amount of credit available for carryover to next year. Full-year residents: Subtract line 23 from line 14. Nonresidents and part-year residents: Subtract line 23 from line 19..... | 24 | .00 |



**Claim for Long-Term Care Insurance Credit****General information**

Taxpayers who pay premiums for qualified long-term care insurance may claim a credit against their personal income tax. The credit is equal to 20% of the premiums paid during the tax year for the purchase of or for continuing coverage under a qualifying long-term care insurance policy.

For tax years beginning on or after January 1, 2020, the credit has been amended to allow a New York resident taxpayer to claim the credit only if the taxpayer's New York adjusted gross income (NYAGI) is less than \$250,000. The amendment also provides that the credit amount cannot exceed \$1,500. Nonresident taxpayers and part-year resident taxpayers are subject to the limitations for resident taxpayers above, and compute the credit by multiplying the credit amount determined for a resident by the nonresident's New York source fraction as defined in Tax Law section 601(e)(3).

Caution: For personal income tax purposes, NYS has decoupled from federal changes made to the Internal Revenue Code (IRC) after March 1, 2020. Therefore, thresholds and amounts used in the calculation of this credit will be based on a recomputed federal adjusted gross income (FAGI). Line 19a on the IT-201 and IT-203 will be used, instead of line 19. If the amounts on your Form IT-201 or Form IT-203 lines 19 and 19a do not match, your New York credit must be calculated using the recomputed FAGI.

A *qualifying long-term care insurance policy* is one that

- is approved by the New York State Superintendent of Financial Services under Insurance Law section 1117 (g); **and**
- is a qualified long-term care insurance contract under Internal Revenue Code (IRC) section 7702B. (Note that section 7702B relates to policies for which a federal itemized deduction is allowed.)

or

- is a group contract delivered or issued for delivery outside New York State; **and**
- the group contract is a qualified long-term care insurance contract under IRC section 7702B. The premiums paid for this insurance qualify for the credit even if the policy is not approved by the New York State Superintendent of Financial Services.

A *qualified long-term care insurance contract* under IRC section 7702B is an insurance contract that provides only coverage of qualified long-term care services. The contract must

1. be guaranteed renewable;
2. not provide for cash surrender value or other money that can be paid, assigned, pledged, or borrowed;
3. provide that refunds, other than refunds on the death of the insured or complete surrender or cancellation of the contract, and dividends under the contract must be used only to reduce future premiums or increase future benefits; **and**
4. generally not pay or reimburse expenses incurred for services or items that would be reimbursed under Medicare, except where Medicare is a secondary payer,

or the contract makes per diem or other periodic payments without regard to expenses.

The insurance company that issued your policy should be able to tell you if the policy qualifies under IRC section 7702B.

This credit is not refundable. If the amount of credit exceeds the taxpayer's tax for the year, the excess may be carried over to the following year or years.

Who is eligible to claim this credit?

- individuals
- estates or trusts
- partners in a partnership (including members of an LLC treated as a partnership for federal income tax purposes)
- shareholders of a New York S corporation
- beneficiaries of an estate or trust

Line instructions

See the instructions for your tax return for the *Privacy notification* or if you need help contacting the Tax Department.

Partners in a partnership, New York S corporation shareholders, and beneficiaries of an estate or trust:

Complete Schedule B, Schedule C, Schedule E, and Schedule F (full-year residents), or Schedule G (nonresidents and part-year residents), and Schedule H.

Individuals (including sole proprietors): Complete Schedule A, Schedule E, and Schedule F (full-year residents), or Schedule G (nonresidents and part-year residents), and Schedule H.

Partnerships: Complete Schedule A and Schedule E.

A married couple in a business enterprise that made an IRC 761(f) election to file two federal Schedule C forms instead of a partnership return: If you file jointly, compute your credit amount as if you were filing one federal Schedule C for the business (enter the total of all applicable amounts from both federal Schedule C forms). Complete Schedule A, Schedule E, and Schedule F (full-year residents) or Schedule G (nonresidents and part-year residents), and Schedule H.

Fiduciaries: Complete Schedule A, Schedule D, Schedule E, and Schedule F (full-year residents) or Schedule G (nonresidents and part-year residents), and Schedule H.

Note: If more than one of the above applies to you, complete all appropriate schedules on one Form IT-249.

Schedule A – Individuals (including sole proprietors), partnerships, and fiduciaries

Line 1 – Enter the amount of premiums paid during the year for qualified long-term care insurance.

Include on line 1

- any premiums you paid as an individual for qualified long-term care insurance, **and**

- any premiums you paid for qualified long-term care insurance as an employer for an employer-sponsored health insurance plan and the premiums were not included in box 1 of your employees' federal Forms W-2.

Do not include on line 1

- any qualified long-term care insurance premiums paid for you by an employer-sponsored health insurance plan, unless the premiums are included in box 1 of your federal Form W-2, **and**
- insurance premiums paid with pretax dollars because they are not included in box 1 of your federal Form W-2.

If you are married and filing a joint return, include the total premiums paid by you and your spouse.

Schedule B – Partnership, S corporation, estate, and trust information

Enter the appropriate information for each partnership, New York S corporation, estate, or trust from which you received a share of the credit for qualified long-term care insurance. If you need more space submit a separate schedule. (Be sure to include your name and taxpayer identification number.)

Schedule C – Partner's, shareholder's, or beneficiary's share of credit

Enter your share of the credit received from a partnership, New York S corporation, estate, or trust on the appropriate line. This information can be obtained from the partnership, New York S corporation, estate, or trust. If you belong to more than one partnership, New York S corporation, estate or trust, enter the total of all your shares of the credit on the appropriate line. Fiduciaries: Include on line 6 only your share of the credit from another estate or trust.

Schedule D – Beneficiary's and fiduciary's share of credit

If an estate or trust allocates or assigns the credit to its beneficiaries, base the division on each beneficiary's proportionate share of income of the estate or trust.

Schedule H – Computation of credit used and carried over

Line 20

Form IT-201 filers: Enter the tax from Form IT-201, line 39, plus any amount from Form IT-201-ATT, line 21.

Form IT-203 filers: Enter the tax from Form IT-203, line 46, plus any amount from Form IT-203-ATT, line 20.

Form IT-205 filers: Enter the tax from Form IT-205, line 8 (for residents), or line 9 (for nonresidents), **plus** any credits shown on line 1 of the *Addbacks worksheet*, in the instructions for Form IT-205, line 12.

Line 21 – If you are applying any credits against the tax before this credit, enter those amounts here.

When applying credits, use the following rules:

- First apply any household credit.
- Next apply any credits that cannot be carried over or refunded.
- Then apply any credits that can be carried over for a limited duration.
- Then apply any credits that can be carried over for an unlimited duration.
- Apply refundable credits last.

Line 23

Full year residents: Enter the amount from line 14 or line 22, whichever is less.

Nonresidents and part-year residents: Enter the amount from line 19 or line 22, whichever is less.

Enter the amount from line 23 on Form IT-201-ATT, line 3, or Form IT-203-ATT, line 4, or include it on Form IT-205, line 10.
