

SESSION OF 2004

SUPPLEMENTAL NOTE ON SENATE BILL NO. 370

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 370, as amended, would provide beginning in tax year 2005 an income tax deduction for certain premium costs associated with qualified long-term care insurance contracts. The maximum allowable deduction would be \$500 for tax year 2005; \$600 for tax year 2006; \$700 for tax year 2007; \$800 for tax year 2008; \$900 for tax year 2009; and \$1,000 for tax year 2010 and thereafter.

Background

A fiscal note from the Department of Revenue indicated that the bill could be expected to reduce State General Fund receipts by \$1.4 million in FY 2006; \$1.7 million in FY 2007; \$1.9 million in FY 2008; \$2.2 million in FY 2009; \$2.5 million in FY 2010; and \$2.8 million in FY 2011.

Senator Barnett, who appeared as a proponent, also distributed information indicating that when costs for long-term care services for Kansans are diverted from Medicaid, the state ultimately would be expected to save \$7.8 million.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>