

Amendments to Senate Bill No. 282
1st Reading Copy

Requested by Senator Bruce Tutvedt
For the Senate Taxation Committee

Prepared by Jaret Coles
March 25, 2013 (3:57pm)

1. Page 3, line 12.
Strike: "and"

2. Page 3, line 15.
Following: "residence"
Insert: ";

(f) for each taxpayer that has attained the age of 65, an additional subtraction calculated pursuant to subsection (4).

(4)(a) Except as provided in subsection (4)(c), each taxpayer that has attained the age of 65 before the close of the taxpayer's tax year is entitled to elect an additional subtraction from federal taxable income under subsection (4)(a)(i) or (4)(a)(ii) equal to:

(i) (A) \$2,600 for each taxpayer filing singly, head of household, or married filing separately or, in the case of married taxpayers filing jointly, if only 1 spouse has attained the age of 65;

(B) subject to subsection (4)(b), \$5,200 in the case of married taxpayers filing jointly if both spouses have attained the age of 65; or

(ii) (A) up to \$5,200 of premium payments for medical care and long-term care insurance premium payments as provided in subsection (4)(d) for each taxpayer filing singly, head of household, or married filing separately or, in the case of married taxpayers filing jointly, if only 1 spouse has attained the age of 65;

(B) subject to subsection (4)(b), up to \$10,400 of premium payments for medical care and long-term care insurance premium payments as provided in subsection (4)(d) in the case of married taxpayers filing jointly if both spouses have attained the age of 65.

(b) Married taxpayers filing jointly who have both attained the age of 65 by the close of the taxpayers' tax year shall use the same election and are not entitled to split the elections in subsection (4)(a)(i) and (4)(a)(ii).

(c) The election amounts in subsections (4)(a)(i) and (4)(a)(ii) are reduced as follows:

(i) each taxpayer filing singly, head of household, or married filing separately or, in the case of married taxpayers

filing jointly, if only 1 spouse has attained the age of 65 shall reduce the total amount of the subtraction provided in subsection (4)(a)(i) and (4)(a)(ii) by \$1 for every \$10 of federal adjusted gross income in excess of \$50,000 as shown on the taxpayer's return;

(ii) in the case of married taxpayers filing jointly if both spouses have attained the age of 65, the taxpayers shall reduce the total amount of the subtraction provided in subsection (4)(a)(i) and (4)(a)(ii) by \$1 for every \$10 of federal adjusted gross income in excess of \$100,000 as shown on the taxpayer's return.

(d) For the purpose of subsection (4)(a)(ii):

(i) a subtraction is allowed only to the extent that the amount was not already excluded as a deduction or expense in determining federal taxable income or claimed as a credit under 15-30-2366;

(ii) "long-term care insurance premium payments" means long-term care insurance policies or certificates that provide coverage primarily for any qualified long-term care services, as defined in 26 U.S.C. 7702B(c), for the benefit of the taxpayer; and

(iii) "premium payments for medical care" means premium payments made by the taxpayer for coverage of the taxpayer's insurance for medical care, as defined in 26 U.S.C. 213(d).

(5) By November 1 of each year, the department shall multiply the subtractions from federal taxable income for taxpayers that have attained the age of 65 contained in subsections (4)(a)(i) and (4)(a)(ii) and the federal adjusted gross income amounts in subsections (4)(c)(i) and (4)(c)(ii) by the inflation factor for that tax year, but using the year 2014 consumer price index, and round the results to the nearest \$10. The resulting amounts are effective for that tax year and must be used as the basis for the subtraction from federal taxable income determined under subsection (4)(a)"

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