

TAX CREDIT ANALYSIS

Program Name: Long Term Care Tax Deduction																	
Department: Revenue		Contact Name & No.: Joel Allison, 751-0191			Date: October 2011												
Program Category: Domestic and Social			Type: Tax Credit	Other (specify) <input checked="" type="checkbox"/> Deduction													
Statutory Authority: 135.096 RSMo			Applicable Taxes:														
Program Description and Eligibility Requirements:																	
A resident individual may deduct from their Missouri taxable income an amount equal to 100 percent (50 percent of tax periods beginning before January 1, 2007) of all non-reimbursed amounts paid by the taxpayer for qualified long-term care insurance premiums to the extent that the amounts are not included in the taxpayer's itemized deductions. Qualified long-term care insurance means any policy that meets or exceeds the provisions of Section 376.1100 to 376.1118, RSMo																	
Explanation of How Award is Computed: Entitlement <input type="checkbox"/> Discretionary <input type="checkbox"/>																	
A resident individual may deduct from their Missouri taxable income taxable amount an amount equal to 100 percent of all non-reimbursed amounts paid by the taxpayer for qualified long-term care insurance premiums to the extent that the amounts are not included in the taxpayer's itemized deductions. A married taxpayer filing a Missouri tax return separately from his or her spouse shall be allowed to make a deduction in an amount equal to the proportion of such individual's payment of all qualified long-term care insurance premiums.																	
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ None <input type="checkbox"/>																	
Explanation of cap:																	
Explanation of Expiration of Authority:																	
Specific Provisions: (if applicable)																	
Carry forward <input type="checkbox"/> years Carry Back <input type="checkbox"/> years Refundable <input type="checkbox"/> Sellable/Assignable <input type="checkbox"/> Additional Federal Deductions Available <input type="checkbox"/>																	
Comments on Specific Provisions:																	
	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012(current year)	FY 2013 (budget year)												
Certificates Issued (#)	0	0	0	0	0												
Projects (#)	0	0	0	0	0												
Amount Authorized	\$0	\$0	\$0	\$0	\$0												
Amount Issued	\$0	\$0	\$0	\$0	\$0												
Amount Redeemed	\$164,241,453	\$175,885,831	\$179,229,996	\$180,000,000	\$180,000,000												
EST. Amount Outstanding	N/A	N/A	\$0	N/A	N/A												
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A												
HISTORICAL AND PROJECTED INFORMATION																	
<table border="1" style="margin-top: 10px; width: 100%; border-collapse: collapse;"> <caption>Amount Redeemed Data</caption> <thead> <tr> <th>Fiscal Year</th> <th>Amount Redeemed</th> </tr> </thead> <tbody> <tr> <td>FY 2009</td> <td>\$164,241,453</td> </tr> <tr> <td>FY 2010</td> <td>\$175,885,831</td> </tr> <tr> <td>FY 2011</td> <td>\$179,229,996</td> </tr> <tr> <td>FY 2012</td> <td>\$180,000,000</td> </tr> <tr> <td>FY 2013</td> <td>\$180,000,000</td> </tr> </tbody> </table>						Fiscal Year	Amount Redeemed	FY 2009	\$164,241,453	FY 2010	\$175,885,831	FY 2011	\$179,229,996	FY 2012	\$180,000,000	FY 2013	\$180,000,000
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Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2011 ACTIVITY	Other Fiscal Period (indicated time period)	Derivation of Benefits: The Department of Revenue, with the assistance of the Missouri Department of Economic Development, used the Regional Economic Model, Inc. (REMI) model for generating cost-benefit analysis for the tax credit programs as required by Section 33.282, RSMo. REMI 8.0.5 Model Assumptions: \$10,753,800 reduction in personal income taxes in 2011.
BENEFITS			
Direct Fiscal Benefits	\$0	\$0	
Indirect Fiscal Benefits	\$138,489	\$138,489	
Total	\$138,489	\$138,489	
COSTS			
Direct Fiscal Costs	\$10,753,800	\$10,753,800	
Indirect Fiscal Costs	\$0	\$0	
Total	\$10,753,800	\$10,753,800	
BENEFIT: COST	0.01	0.01	

Other Benefits:

In Fiscal Year 2011, every dollar of authorized program tax credits returns:

\$0.26 in new personal income totaling	\$2.78 million
\$0.51 in new value-added/GSP totaling	\$5.51 million
\$0.79 in new economic output totaling	\$8.52 million

Over ten years, every dollar of authorized program tax credits returns:

\$0.26 in new personal income totaling	\$2.78 million
\$0.51 in new value-added/GSP totaling	\$5.51 million
\$0.79 in new economic output totaling	\$8.52 million

PERFORMANCE MEASURE(S)

Comments on Performance Measure: