

# Disability and Health Care Related Tax Credits



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# Tax Credits for:

- Severe Disability – HB 2119
- Loss of Limbs – HB 2120
- Elderly or Disabled – HB 2121
- Child with a Disability – HB 2122
- Long-term Care Insurance – HB 2123
- Costs in-lieu of Nursing Home Care – HB 2124

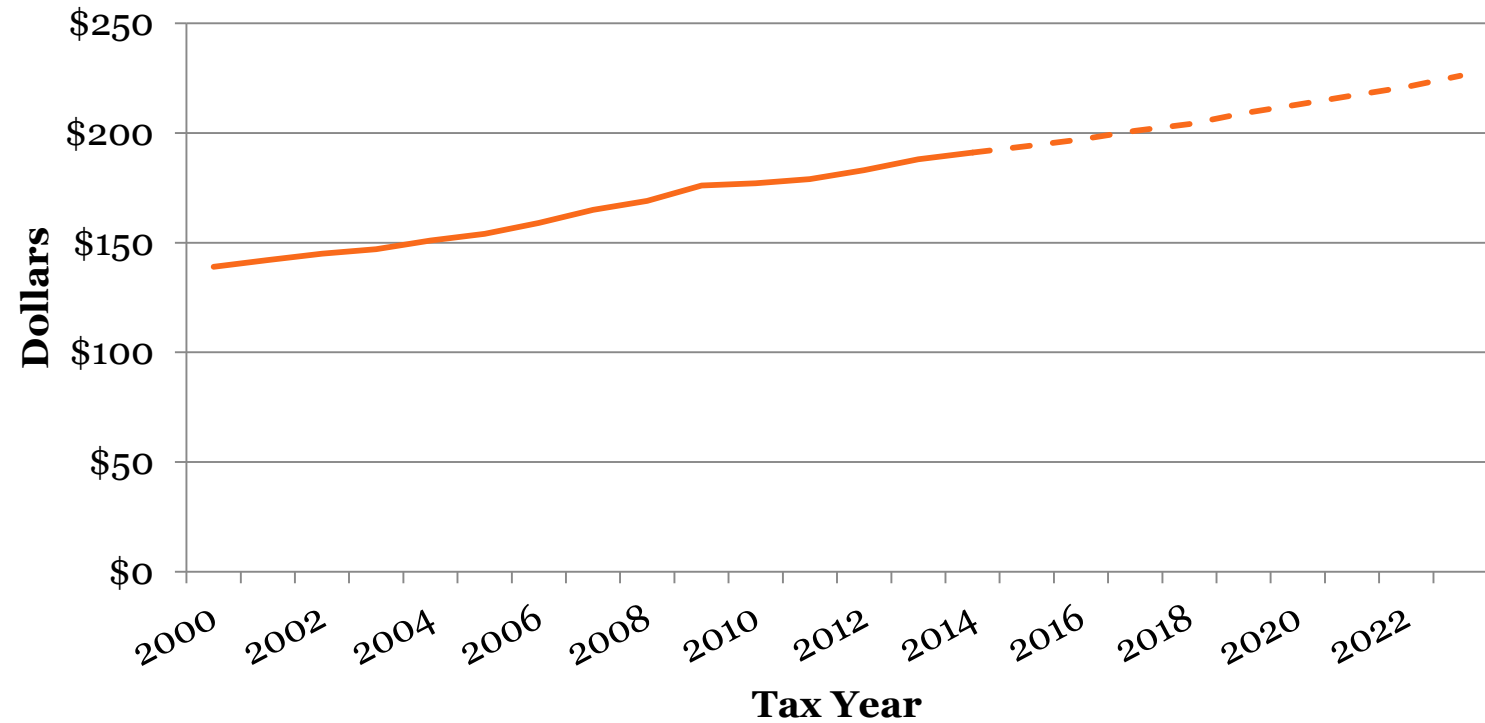
# Disability Tax Credits

- Severe Disability
  - Lost use of at least one leg, both hands, unable to engage in any substantial gainful activity, has physical/mental condition limiting their ability to earn a living, maintain a household, or provide personal transportation
  - Additional Personal Exemption Tax Credit (\$183 in 2012)
- Loss of Limbs
  - Lost use of both legs, both arms, or one leg and one arm
  - \$50 for qualified taxpayer and spouse

# Disability Tax Credits (cont.)

- Elderly or Disabled
  - Age 65 or older; or
  - Retired on permanent and total disability and receiving taxable disability income
  - 40% of Federal credit
- Child with a Disability
  - Dependent who is eligible for early intervention services or special education
  - Additional Personal Exemption Tax Credit (\$183 in 2012)

# Personal Exemption Tax Credit



— History

- - Forecast

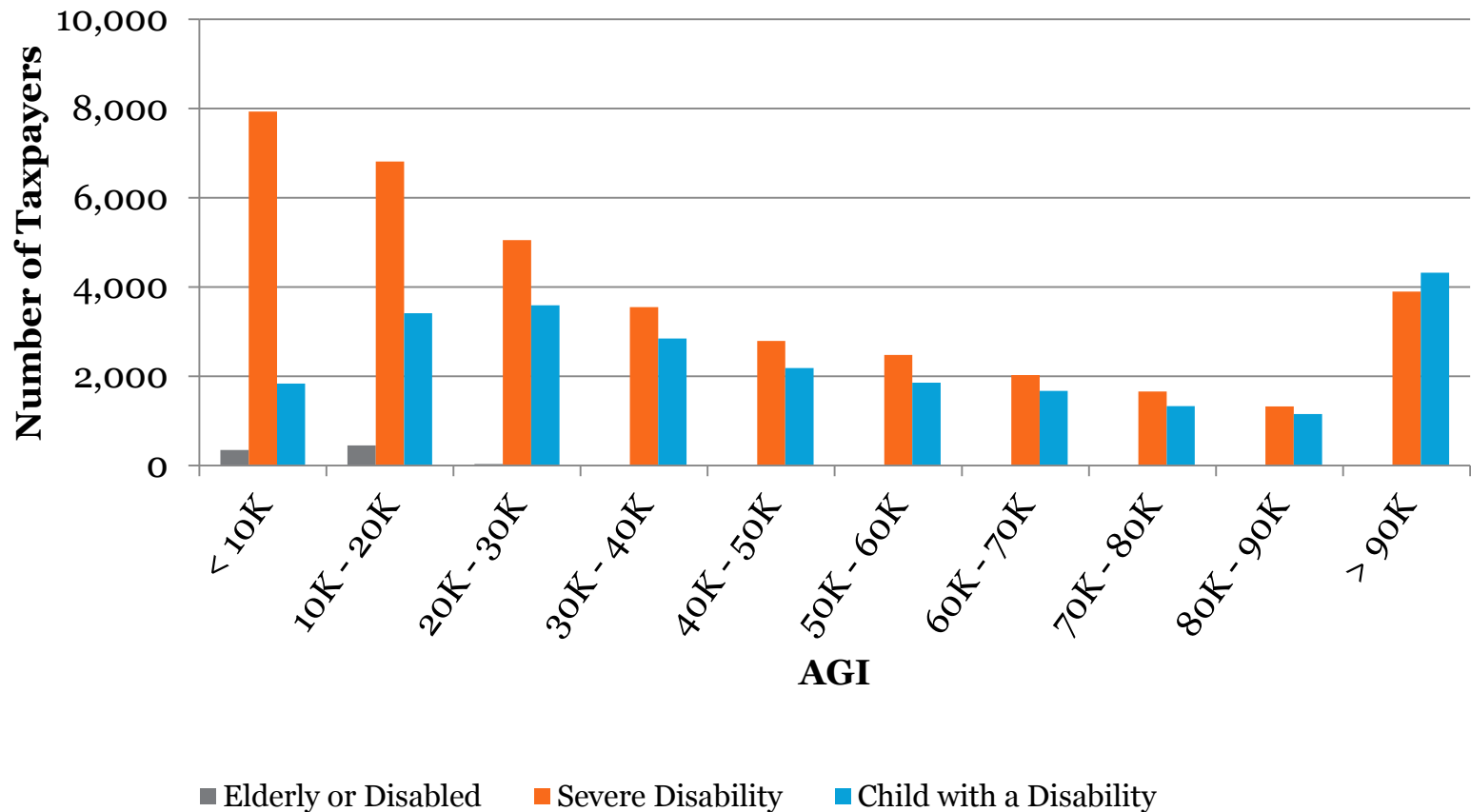
# Summary Impacts of Disability Credits

Tax Year 2012, Full-year Filers

	<b>Claimants</b>	<b>Total Claimed (\$M)</b>	<b>Total Used (\$M)</b>	<b>Mean Claimed (\$)</b>	<b>Mean Used (\$)</b>
<b>Severe Disability</b>	40,060	\$7.4	\$5.0	\$184	\$124
<b>Child with a Disability</b>	26,183	\$5.2	\$4.5	\$199	\$172
<b>Elderly or Disabled</b>	1,311	\$0.2	\$0.1	\$182	\$57
<b>Loss of Limbs</b>	416	\$0.0	\$0.0	\$50	\$32

# Disability Tax Credit Claimants

Tax Year 2012, Full-year Filers



# Health Care Tax Credits

- Long-term Care Insurance
  - **Personal**
    - Coverage of the taxpayer, dependent, parent of taxpayer
    - Lesser of 15% of premiums or \$500
  - **Business**
    - Coverage of employees
    - Lesser of 15% of premiums or \$500 per covered employee
- Costs in-lieu of Nursing Home Care
  - **Eligible taxpayer**
    - Person who incurs expenses and has income up to \$17,500
  - **Qualified individual**
    - Age 60 or older with income up to \$7,500
  - **Lesser of 8% of expenses or \$250**



# Long-term Care Insurance Claimants

## Tax Year 2012, Full-year Filers

