**A** **BILL**

TO AMEND CHAPTER 6, TITLE 12 OF THE 1976 CODE, RELATING TO TAX CREDITS OF THE SOUTH CAROLINA INCOME TAX ACT, TO ENACT THE “LONG‑TERM CARE TAX CREDIT ACT” BY ADDING SECTION 12‑6‑3395, TO ALLOW A STATE INDIVIDUAL INCOME TAX CREDIT OF FIFTEEN PERCENT OF THE TOTAL AMOUNT OF PREMIUMS PAID BY A TAXPAYER PURSUANT TO A LONG‑TERM CARE INSURANCE CONTRACT, NOT TO EXCEED THREE HUNDRED FIFTY DOLLARS IN A TAXABLE YEAR FOR EACH INDIVIDUAL COVERED BY SUCH A CONTRACT, AND TO PROHIBIT A DOUBLE BENEFIT.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. This act may be cited as the “Long‑Term Care Tax Credit Act”.

SECTION 2. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3395. (A) An individual taxpayer may claim as a credit against the income tax imposed by this chapter an amount equal to fifteen percent of the premium costs the individual paid during the taxable year on a qualified contract for long‑term care insurance, as defined in Section 38‑72‑40(1), that offers coverage to the individual, his spouse, or a dependent for whom he was allowed to deduct a personal exemption on his federal individual income tax return for the taxable year. The credit allowed by this section may not exceed three hundred fifty dollars for each qualifying individual covered by one or more qualified long‑term care insurance contracts for which a credit is claimed. The credit may not exceed the amount of tax imposed by this chapter for the taxable year reduced by the sum of all credits allowed, except payments of tax made by or on behalf of the taxpayer. A nonresident who claims the credit allowed by this section shall reduce the amount of the credit in the same manner as nonresident individuals reduce personal exemptions and applicable standard deduction or itemized deductions pursuant to Section 12‑6‑1720(2).

(B) A credit is not allowed for payments that are deducted or excluded from the taxpayer’s income for the taxable year, whether the deduction or exclusion was due to a South Carolina modification pursuant to Article 9 of this chapter or was due to an exclusion or deduction which resulted in a reduction of the taxpayer’s federal taxable income.

(C) A taxpayer who claims the credit allowed by this section shall provide information required by the department to demonstrate that the amount paid for premiums for which the credit is claimed was not excluded from the taxpayer’s gross income for the taxable year.”

SECTION 2. Upon approval by the Governor, the act is effective for taxable years beginning after 2014.

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