

JAN 13 2006  
HUMAN RESOURCES

HOUSE FILE 2055  
BY FREVERT

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to an income tax deduction for costs of long-  
2 term care insurance contracts and including an effective and  
3 retroactive applicability date provision.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2055

1 Section 1. Section 422.7, subsection 29, Code Supplement  
2 2005, is amended to read as follows:

3 29. Subtract, to the extent not otherwise deducted in  
4 computing adjusted gross income, the amounts paid by the  
5 taxpayer for the purchase of health benefits coverage or  
6 insurance, including a qualified long-term care insurance  
7 contract, for the taxpayer or taxpayer's spouse or dependent.  
8 For purposes of this subsection, "qualified long-term care  
9 insurance contract" means the same as defined in section 7702B  
10 of the Internal Revenue Code.

11 Sec. 2. EFFECTIVE AND RETROACTIVE APPLICABILITY DATE.  
12 This Act, being deemed of immediate importance, takes effect  
13 upon enactment and applies retroactively to January 1, 2006,  
14 for tax years beginning on or after that date.

15 EXPLANATION

16 This bill allows a taxpayer to deduct, in determining net  
17 income, amounts paid for a qualified long-term care insurance  
18 contract for the taxpayer or the taxpayer's spouse or  
19 dependent. This deduction would otherwise be an itemized  
20 deduction. The insurance contract, per the Internal Revenue  
21 Code, is a renewable insurance policy that has no cash  
22 surrender value and that provides coverage for necessary  
23 diagnostic, preventive, therapeutic, curing, treatment,  
24 mitigating, and rehabilitative services to chronically ill  
25 individuals prescribed by a licensed health care practitioner.

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