



Instructions for Form IT-249

Claim for Long-Term Care Instruction Credit

General information

If you pay premiums for qualified long-term care insurance policies, you may claim a credit against your personal income tax. The credit is equal to 20% of the premiums paid during the tax year for the purchase of or for continuing coverage under a long-term care insurance policy that qualifies for the credit pursuant to Insurance Law §1117.

For tax years beginning on or after January 1, 2020, you may claim the credit only if your New York adjusted gross income (NYAGI) is less than \$250,000. The credit amount cannot exceed \$1,500.

To calculate the credit for **nonresident** taxpayers and **part-year resident** taxpayers:

1. Determine the credit amount for a resident.
2. Divide your New York source income by your NYAGI (from Form IT-203, line 31).
3. Multiply the result of step 2 by step 1.

You **cannot** request a refund for any unused portion of this credit; however, you may carry it forward to future tax years indefinitely.

Definitions

A *qualified long-term care insurance policy* is one that:

- is approved by the New York State Superintendent of Financial Services under Insurance Law § 1117(g); **and**
 - is a qualified long-term care insurance contract under Internal Revenue Code (IRC) § 7702B (**Note:** § 7702B relates to policies for which the owner may take a federal itemized deduction);
- or**
- is a group contract delivered or issued for delivery outside New York State; **and**
 - the group contract is a qualified long-term care insurance contract under IRC § 7702B. The premiums paid for this insurance qualify for the credit even if the policy is not approved by the New York State Superintendent of Financial Services.

A *qualified long-term care insurance contract* under IRC § 7702B is an insurance contract that provides only coverage of qualified long-term care services. The contract must:

- be guaranteed renewable;
- not provide for cash surrender value or other money that can be paid, assigned, pledged, or borrowed;
- provide that refunds, other than refunds on the death of the insured or complete surrender or cancellation of the contract, and dividends under the contract must be used only to reduce future premiums or increase future benefits; **and**
- generally not pay or reimburse expenses incurred for services or items that would be reimbursed under Medicare, except where Medicare is a secondary payer, or the contract makes per diem or other periodic payments without regard to expenses.

The insurance company that issued your policy should be able to tell you if the policy qualifies under IRC § 7702B.

How to claim the credit

Individuals must submit Form IT-249 with their personal income tax return. *Individuals* includes:

- an individual;
- a beneficiary or fiduciary of an estate or trust;
- a partner in a partnership (including members of an LLC treated as a partnership for federal tax purposes); **or**
- a shareholder of an S corporation.

A **married couple** in a business enterprise that made an IRC 761 (f) election to file **two federal Schedule C forms** instead of a partnership return: If you file jointly, calculate your credit as if you were filing one federal Schedule C for the business.

An **estate or trust** that divides the credit among itself and its beneficiaries must submit Form IT-249 with Form IT-205, *Fiduciary Income Tax Return*, showing each beneficiary's share of the credit.

A **partnership** must file Form IT-249 with Form IT-204, *Partnership Return*, showing the total credit.

A **New York S corporation** does **not** file Form IT-249. It must file Form CT-249, *Claim for Long-Term Care Insurance Credit*.

If you are a **shareholder of an S corporation**, obtain your share of the long-term care insurance credit from the S corporation and follow the instructions on this form for claiming the credit on your personal income tax return.

Line instructions

Individual (including sole proprietor): Complete Schedules A, E, and H. If you are a full-time resident, also complete Schedule F. If you are a nonresident or part-year resident, also complete Schedule G.

Partnership: Complete Schedules A and E.

Partner in a partnership, shareholder of a New York S corporation, and beneficiary of an estate or trust: Complete Schedules B, C, E, and H. Full-year residents, also complete Schedule F. Nonresidents or part-year residents, also complete Schedule G.

Fiduciary: Complete Schedules A, D, E, and H. If you are a full-year resident, also complete Schedule F. If you are a nonresident or part-year resident, also complete Schedule G.

Note: If more than one of the above applies to you, complete all appropriate schedules on one Form IT-249.

Additional forms: If you have more entries than will fit on the lines provided in Schedule B or D, submit additional Forms IT-249, completing only the necessary schedules. Include your name and identifying number on each form. Place the extra forms behind the first Form IT-249 and submit them with your return.

Schedule A: Individual (including sole proprietor), partnership, and fiduciary

Line 1

Enter the amount of premiums paid for qualified long-term care insurance during the tax year.

On line 1, include:

- any premiums you paid as an individual for qualified long-term care insurance; **and**
- any premiums you paid for qualified long-term care insurance as an employer for an employer-sponsored health insurance plan if you did not include the premiums in box 1 of your federal Forms W-2.

On line 1, do **not** include:

- any qualified long-term care insurance premiums your employer paid for you through an employer-sponsored health insurance plan unless your employer included the premiums in box 1 of your federal Form W-2, **or**
- insurance premiums you paid with pretax dollars which your employer did not include in box 1 of your federal Form W-2.

If you are married and filing a joint return, include the total premiums you and your spouse paid.

Schedule B: Partnership, S corporation, and estate or trust information

Enter the appropriate information for each partnership, New York S corporation, or estate or trust from which you received a share of the long-term care insurance credit. Obtain your share of the credit and certificate information from your partnership, S corporation, or estate or trust. If needed, see *Additional forms*.

Schedule C: Partner's, shareholder's, or beneficiary's share of credit

Enter your share of the credit received from a partnership, New York S corporation, or estate or trust on the appropriate line. You can obtain this information from the partnership, New York S corporation, or estate or trust. If you belong to more than one partnership, New York S corporation, or estate or trust, enter the total of all your shares of the credit on the appropriate line.

Fiduciary: On line 6, include only your share of the credit from another estate or trust.

Schedule D: Beneficiary's and fiduciary's share of credit

An estate or trust must complete this schedule. If an estate or trust allocates or assigns the credit to its beneficiaries, it must base the division on each beneficiary's proportionate share of the income of the estate or trust and provide the beneficiaries with their share of the credit.

Calculate the fiduciary's share of the credit by subtracting any beneficiary's share from the *Total* line in column C. Enter the result on the *Fiduciary* line in column C.

If needed, see *Additional forms*.

Schedule E: Calculation of credit available for the current year

Lines 8 through 10

Complete the lines that apply to you.

Fiduciary: Do not enter any amounts on line 8 or 9.

Schedule H: Calculation of credit used and carried over

Line 20

Form IT-201 filers: Enter the tax from Form IT-201, line 39, plus any amount from Form IT-201-ATT, line 21.

Form IT-203 filers: Enter the tax from Form IT-203, line 46, plus any amount from Form IT-203-ATT, line 20.

Form IT-205 filers: Enter the tax from Form IT-205, line 8 (for resident), or line 9 (for nonresident), **plus** any credits shown on line 1 of the *Addbacks worksheet*, in the instructions for Form IT-205, line 12.

Line 21

If you are applying any credits against the tax before this credit, enter those amounts here.

Apply credits in the following order:

1. household credit
2. any credits that cannot be carried over or refunded
3. any credits that can be carried over for a limited duration
4. any credits that can be carried over for an unlimited duration
5. refundable credits

For more information, visit our website at www.tax.ny.gov (search: *ordering*).

Line 23

Full year residents: Enter the lesser amount from line 14 or 22.

Nonresidents and part-year residents: Enter the lesser amount from line 19 or 22.

Enter the amount from line 23 on Form IT-201-ATT, line 3; Form IT-203-ATT, line 4; or Form IT-205, line 10.
