



Instructions for Form CT-249 Claim for Long-Term Care Insurance Credit

General information

If you pay premiums for qualified long-term care insurance policies, you may claim a credit against the taxes imposed by Tax Law, Article 9, §§ 183, 184, 186, 186-a, and 186-e; and Articles 9-A and 33. 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.

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

- approved by the New York State Superintendent of Financial Services pursuant to Insurance Law § 1117(g); **or**
- a group contract delivered or issued for delivery outside of New York State that is a qualified long-term care insurance contract as defined in Internal Revenue Code (IRC) § 7702B.

Note: IRC § 7702B relates to policies for which the owner may take a federal itemized deduction. The insurance company that issued your policy should be able to tell you if the policy qualifies under IRC § 7702B.

The credit may not reduce the tax to less than:

- **Article 9, § 183 or 186:** the applicable minimum tax;
- **Article 9-A:** the fixed dollar minimum tax; or
- **Article 33:** \$250.

Under Article 9, you must first deduct the credit from the taxes imposed by Tax Law § 183 or 186. You must then deduct any remaining credit from the taxes imposed by Tax Law § 184.

You **cannot** apply the credit against the metropolitan transportation business tax (MTA surcharge) under Tax Law Article 9, 9-A, or 33.

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

How to claim the credit

New York S corporations: You must calculate the credit and file this form with Form CT-3-S, *New York S Corporation Franchise Tax Return*. However, the S corporation may not use the credit against its own tax liability. Instead, the S corporation must pass the credit through to its shareholders to use against their personal income tax liabilities on their New York State personal income tax returns.

Combined filers: A taxpayer filing as a member of a combined group may claim the credit. The taxpayer must calculate the credit on a separate basis but apply it against the combined tax.

Individuals: If you are an individual partner in a partnership (including members of a limited liability company treated as a partnership for federal tax purposes), or a shareholder of an S corporation, and you wish to claim the long-term care insurance credit, use Form IT-249, *Claim for Long-Term Care Insurance Credit*. Do **not** file Form CT-249.

Line instructions

New York S corporations: Complete only lines 1 through 5, and transfer the line 5 amount to the applicable line of Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*.

Line 3

Complete the *Partnership information* table on Form CT-249 if you were a partner in a partnership and received a share of the long-term care insurance credit from that entity.

Enter the name, identifying number, and the amount of credit passed through to you from each partnership. If needed, see *Additional forms*.

Additional forms: If you have more entries than will fit on the lines provided in the *Partnership information* table, submit additional Forms CT-249, completing only the necessary table. Include your name and employer identification number on each form. On the indicated lines of the first Form CT-249, include the totals from all additional Forms CT-249. Place the extra forms behind the first Form CT-249 and submit them with your return.

Lines 6 and 9 entries table

Section 1		
Franchise tax return filed	Enter on line 6 any net recaptured tax credits plus the amount from	Enter on line 9 the amount below
Forms CT-183 and CT-184	Form CT-183, line 4 plus Form CT-184, line 3 or 4	75
Form CT-186	Line 5	125
Form CT-3	Part 2, line 2	Part 2, line 1c
Form CT-3-A	Part 2, line 2	Part 2, line 1c
Form CT-33	Line 11	250
Form CT-33-A	Line 15	Line 4 plus line 12
Form CT-33-NL	Line 5	250
Section 2		
Tax return filed	Enter on line 6 any net recaptured tax credits plus the amount from	Enter on line 9 the amount below
Form CT-186-E	Line 39 + line 88 + line 115	0
Form CT-186-P	Line 4	0

Line 6

Enter your tax due before credits using the *Lines 6 and 9 entries table*.

Line 7

If you are claiming more than one tax credit for this year, enter the total amount of credits you claimed before applying this credit; otherwise enter 0. You **must** apply tax credits in a specific order.

Article 9-A filers: For the correct order of credits, see Form CT-600-I, *Instructions for Form CT-600, Ordering of Corporation Tax Credits*.

All other taxpayers refer to the instructions of your tax return to determine the order of credits that applies.

Combined filers: Include the total amount of all tax credits you **and** other members of the combined group are claiming—including the long-term care insurance credit—that you want to apply before you apply this credit.

Line 9

Enter the amount using the *Lines 6 and 9 entries table*.

Line 11

Enter the lesser of line 5 or line 10 and transfer this amount to your franchise tax return. You may either apply the credit against a franchise tax return listed in Section 1 or a tax return listed in Section 2 of the *Lines 6 and 9 entries table*, but not **both**.
