

FEB 16 2012

SENATE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A STUDY TO DETERMINE WAYS,
OTHER THAN TAX INCENTIVES, TO ENCOURAGE EMPLOYERS TO
PROVIDE AND PAY FOR LONG TERM CARE INSURANCE AND
INDIVIDUALS TO PURCHASE LONG TERM CARE INSURANCE.

1 WHEREAS, the Legislature finds that a major barrier to the
2 widespread availability and purchase of long term care insurance
3 by the public is its high cost; and
4

5 WHEREAS, the Legislature also finds that tax subsidies are
6 one way to reduce the net price of long term care insurance
7 policies, making them more affordable; and
8

9 WHEREAS, tax incentives are expressed typically in two ways
10 - through deductions, by which taxpayers subtract all or part of
11 the cost of private long term care insurance policies from their
12 taxable income, and through tax credits, by which taxpayers
13 receive a dollar-for-dollar credit against taxes owed, for the
14 purchase of policies; and
15

16 WHEREAS, recently enacted health reform legislation will
17 increase the threshold for deductibility of medical expenses
18 from seven and one-half percent to ten percent, and since this
19 provision is a deduction rather than a tax credit, the tax
20 deduction for medical expenses is worth more to upper-income
21 people than it is for moderate-income people who are in lower
22 marginal tax brackets, and worth more to moderate-income people
23 than it is to lower-income people; and
24

25 WHEREAS, it remains unclear whether or not tax incentives
26 are the most effective and efficient ways to promote the
27 purchase of private long term care insurance; and
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29 WHEREAS, options other than tax incentives should be
30 identified to encourage the availability and purchase of
31 affordable long term care insurance options; now, therefore,



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 2 BE IT RESOLVED by the Senate of the Twenty-sixth
 3 Legislature of the State of Hawaii, Regular Session of 2012, the
 4 House of Representatives concurring, that the Auditor is
 5 requested to conduct a study to determine ways, other than tax
 6 incentives, to encourage employers to provide and pay for long
 7 term care insurance and individuals to purchase long term care
 8 insurance; and
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10 BE IT FURTHER RESOLVED that the Auditor is requested to
 11 submit findings and recommendations, including any proposed
 12 legislation, to the Legislature no later than twenty days prior
 13 to the convening of the Regular Session of 2013; and
 14

15 BE IT FURTHER RESOLVED that certified copies of this
 16 Concurrent Resolution be transmitted to the Director of Health,
 17 the State Auditor, and the Hawaii Long-Term Care Commission.
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 19
 20

OFFERED BY: Erzanne Chun Oakland

Mr. [Signature]

Will [Signature]

[Signature]

[Signature]

Rosey de Baha
Carol Fulmer

