
SENATE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU 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
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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
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9 WHEREAS, tax incentives are typically provided in two ways
10 for the purchase of policies - through deductions, by which
11 taxpayers subtract all or part of the cost of private long-term
12 care insurance policies from their taxable income; and through
13 tax credits, by which taxpayers receive a dollar-for-dollar
14 credit against taxes owed; and
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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
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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 Legislative
5 Reference Bureau is requested to conduct a study to determine
6 ways, other than tax incentives, to encourage employers to
7 provide and pay for long-term care insurance and individuals to
8 purchase long-term care insurance; and
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10 BE IT FURTHER RESOLVED that the Legislative Reference
11 Bureau is requested to seek the input of businesses on employer-
12 supported, feasible methods to encourage employers to provide
13 and pay for long-term care insurance; and
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15 BE IT FURTHER RESOLVED that the Legislative Reference
16 Bureau is requested to submit its findings and recommendations,
17 including any proposed legislation, to the Legislature no later
18 than twenty days prior to the convening of the Regular Session
19 of 2013; and
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21 BE IT FURTHER RESOLVED that certified copies of this
22 Concurrent Resolution be transmitted to the Director of the
23 Legislative Reference Bureau and the Director of Health.

