

ADMINISTRATIVE RULE REVIEW

	Rule No. 150-315-0190	
Repealed Rule	Page Page 1 of 2	Last Revised Date October 19, 2016
	NOTICE OF INTENDED ACTION	
Permanent Rule	Bulletin Dated November 2016	Hearing Scheduled November 22, 2016

PURPOSE: The Long-term Care Insurance Premiums Credit provided in ORS 315.610 sunset and may not be claimed for tax years beginning on or after January 1, 2015. Therefore, this rule is no longer necessary.

1 **150-315-0190 [Repealed 12/31/2016]**

2 ~~**Long-term Care Insurance Premiums Credit Allowable to Spouses Filing Separately**~~

3 ~~(1) A husband and wife who file separate Oregon returns may each claim a share of the long-term care~~
 4 ~~insurance premiums credit that would have been allowed on a joint return. The credit on a joint return is~~
 5 ~~limited to the lesser of 15 percent of the combined long-term care insurance premiums expense, or \$500.~~
 6 ~~The spouses may divide the total premium cost between them based on who actually paid the premiums~~
 7 ~~or by any other method that is acceptable to both spouses. If the spouses do not agree on how to divide~~
 8 ~~the total premium cost, the department may allocate the payments between them. Spouses are considered~~
 9 ~~not to have agreed on a method for dividing their payments if both spouses file separate returns claiming~~
 10 ~~total credits that exceed the maximum that would have been allowed on a joint return.~~

11 ~~(2) Figuring the credits. There are three steps to determine the allowable credits.~~

12 ~~(a) Step 1: Compute a credit using the total premium cost.~~

13 ~~(b) Step 2: Determine each spouse's allowable credit proportion by dividing each spouse's premium~~
 14 ~~expense by the total premium cost.~~

15 ~~(c) Step 3: Multiply the joint credit by each individual's proportion.~~

16 ~~Example: Jim and Gina, husband and wife, use married filing separate status for their Oregon tax returns.~~

17 ~~During the year Jim paid \$2,400 in long-term care insurance premiums. Gina paid premiums of \$1,200,~~
 18 ~~for total premiums paid of \$3,600. First they compute the credit as if they were claiming it jointly. Their~~
 19 ~~combined individual credits cannot exceed their joint credit; that is, the lesser of 15 percent of the~~
 20 ~~combined premiums or \$500. A total premium of \$3,600 x 15 percent is \$540, so their joint credit~~
 21 ~~amount is limited to \$500. Next, they each determine their individual proportion of the total premiums~~
 22 ~~paid. Jim divides \$2,400 by \$3,600 to find he paid 67 percent of the total premiums. Gina's portion is 33~~
 23 ~~percent (\$1,200/\$3,600). Finally, they each multiply the joint credit by their proportion to determine their~~
 24 ~~separate credit. Jim's individual credit is 67 percent of \$500 or \$335. Gina's credit is \$165 (\$500 x 33~~
 25 ~~percent).~~



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- 1 ~~Stat. Auth.: ORS 305.100~~
- 2 ~~Stats. Implemented: ORS 315.610~~
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