

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 304

FINAL READING

Introduced by Gay, 14; Engel, 17; Mines, 18

Read first time January 11, 2007

Committee: Revenue

A BILL

1 FOR AN ACT relating to the Long-Term Care Savings Plan Act; to
2 amend sections 77-6102 and 77-6105, Revised Statutes
3 Cumulative Supplement, 2006; to redefine terms; to
4 change provisions relating to authorized withdrawals;
5 to harmonize provisions; and to repeal the original
6 sections.

7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-6102, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 77-6102 For purposes of the Long-Term Care Savings Plan
4 Act:

5 (1) Long-term care expense means the cost of long-term
6 care in a long-term care facility and the cost of care provided in
7 a person's home when the person receiving the care is unable to
8 perform multiple basic life functions independently;

9 (2) Long-term care insurance premiums means premiums
10 paid for a long-term care insurance policy issued pursuant to
11 the Long-Term Care Insurance Act that offers coverage to the
12 individual, ~~or the individual's spouse, or another person for whom~~
13 the taxpayer has an insurable interest;

14 (3) Participant means an individual who has entered
15 into a participation agreement or established an account with
16 a financial institution with which the State Treasurer has an
17 agreement under subsection (1) of section 77-6103; and

18 (4) Qualified individual means (a) a person who ~~turned~~
19 ~~sixty-five years of age or older during the taxable year who has~~
20 ~~a medical necessity for long-term care during the taxable year,~~
21 ~~(b) a disabled person who has a medical necessity for long-term~~
22 ~~care incurred long-term care expenses during the taxable year, or~~
23 ~~(c) or (b) a person who turned ~~sixty-two~~ fifty years of age or~~
24 older during the taxable year who made payments for long-term care
25 insurance premiums during the taxable year.

1 Sec. 2. Section 77-6105, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 77-6105 A qualified individual as defined in subdivision
4 (4)(a) ~~or (b)~~ of section 77-6102 may make withdrawals as a
5 participant in the Nebraska long-term care savings plan to pay
6 or reimburse long-term care expenses. A qualified individual as
7 defined in subdivision ~~(4)(e)~~ (4)(b) of section 77-6102 may make
8 withdrawals to pay or reimburse long-term care insurance premiums.
9 Any participant who is not a qualified individual or who makes
10 a withdrawal for any reason other than transfer of funds to a
11 spouse, long-term care expenses, long-term care insurance premiums,
12 or death of the participant shall be subject to a ten-percent
13 penalty on the amount withdrawn. The State Treasurer shall collect
14 the penalty.

15 Sec. 3. Original sections 77-6102 and 77-6105, Revised
16 Statutes Cumulative Supplement, 2006, are repealed.