

OFFICE OF FISCAL ANALYSIS

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SB-1278

AN ACT CONCERNING LONG-TERM CARE INSURANCE
PREMIUM RATES.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 26 \$ | FY 27 \$ |
|--------------------------------|-------------------|--------------|--------------|
| Department of Revenue Services | GF - Revenue Loss | 19.7 million | 20.2 million |
| Department of Revenue Services | GF - Cost | Up to 75,000 | None |

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which establishes a personal income tax deduction for long-term care insurance premiums, results in a (1) General Fund revenue loss of \$19.7 million in FY 26 and \$20.2 million in FY 27, and (2) one-time cost of up to \$75,000 in FY 26 for programming updates to the CTax tax administration system and myconneCT online portal, and for form development.

The bill also requires long-term care insurers (i.e., private entities) to hold a public hearing and notify policyholders about it before implementing certain premium rate increases. There is no fiscal impact to the state or municipalities from these provisions as they affect private entities.

The Out Years

The annualized ongoing fiscal impact identified above would

continue into the future subject to inflation in long-term care insurance premiums.

Sources: AARP

CTMirror "Policyholders Press CT Lawmakers for Long-Term Care Insurance Reform", 2/11/25