Long-Term Care Deductibility Guide for 2023

In 2023, generally sole proprietors, partners and S Corporation shareholders owning more than 2% of the S Corporation's shares may deduct 100% of premiums up to certain limits.

These are as follows:

Age 40 or less:	**$480**
Ages 41 – 50:	**$890**
Ages 51 – 60:	**$1,790**
Ages 61 – 70:	**$4,770**
Ages 71+	**$5,960**

Additional Information for Consideration

- Premiums paid by the employer for employees is 100% deducible.
- Long-Term Care premiums paid by the employer for C Corporations is 100% deductible as a reasonable and necessary business expense under Section 162 of the Internal Revenue Code (IRC).
- For individuals who do not have an employer pay for long-term care, premiums are deductible subject to the 7.5% adjusted gross income floor on their federal tax return.
- Some states have tax incentives for LTC premiums, for example, the state of New York offers a 20% credit for premiums paid for long-term care on their state income tax returns. Additional legislation was passed capping the tax credit for long-term care insurance premiums at $1,500 and making the tax credit only applicable to tax returns wherein adjusted gross income is below $250,000 for taxable years beginning in 2020.

If you have any questions, contact your financial advisor or tax professional for more information.

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