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This bill allows a refundable state income tax credit equal to the 10 percent additional federal tax incurred for early withdrawals from IRAs or other qualified retirement plans, if the proceeds are used to pay for long-term care expenses (as defined under the federal itemized deduction for medical care) or to pay premiums on long-term care insurance. The additional tax (often referred to as a penalty) applies if the withdrawal is made by someone who is younger than age 59½, with some exceptions.

Effective date: Tax year 2017