

HOUSE BILL 578

Q3
HB 347/12 – W&M

3lr1293
CF SB 23

By: **Delegates Hubbard, Afzali, Aumann, Barkley, Barnes, Barve, Bates, Beidle, Bobo, Bohanan, Boteler, Braveboy, Bromwell, Cane, Cardin, Clagett, Cluster, Conaway, Costa, Cullison, Davis, DeBoy, Dwyer, Eckardt, Elliott, Frank, Frush, Gaines, George, Gilchrist, Gutierrez, Guzzone, Healey, Holmes, Hough, Howard, Hucker, Impallaria, Ivey, Kach, A. Kelly, Kipke, Kramer, Krebs, Lafferty, Lee, Love, Luedtke, McComas, McConkey, McDermott, McDonough, A. Miller, Minnick, Morhaim, Murphy, Myers, Nathan–Pulliam, Niemann, Oaks, Pena–Melnyk, Pendergrass, Proctor, Ready, Reznik, B. Robinson, S. Robinson, Rosenberg, Rudolph, Serafini, Smigiel, Sophocleus, Stocksdale, Summers, Szeliga, F. Turner, V. Turner, Valderrama, Valentino–Smith, Vallario, Vaughn, Vitale, Walker, M. Washington, Weir, and Wood**

Introduced and read first time: January 31, 2013
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credit for Long–Term Care Premiums**

3 FOR the purpose of altering a certain limitation on a certain credit against the State
4 income tax for certain long–term care insurance premiums paid by a taxpayer;
5 altering the amount a taxpayer may claim as a credit for certain long–term care
6 insurance purchased after a certain date; providing for the application of this
7 Act; and generally relating to a certain income tax credit for eligible long–term
8 care premiums.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – General
11 Section 10–718
12 Annotated Code of Maryland
13 (2010 Replacement Volume and 2012 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article – Tax – General**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 10-718.

2 (a) In this section, “eligible long-term care premiums” means eligible
3 long-term care premiums within the meaning of § 213(d)(10) of the Internal Revenue
4 Code for a long-term care insurance contract covering an individual who is a
5 Maryland resident.

6 (b) [An individual] **A TAXPAYER** may claim a credit against the State
7 income tax in an amount equal to 100% of the eligible long-term care premiums paid
8 by the [individual] **TAXPAYER** during the taxable year for long-term care insurance
9 covering the [individual] **TAXPAYER** or the [individual’s] **TAXPAYER’S** spouse, parent,
10 stepparent, child, or stepchild.

11 (c) The credit allowed under this section:

12 (1) [may not exceed \$500 for] **WITH RESPECT TO** each insured
13 **INDIVIDUAL** covered by long-term care insurance for which the [individual]
14 **TAXPAYER** pays the premiums, **MAY NOT EXCEED \$200 IN ANY TAXABLE YEAR;**

15 (2) may not be claimed by more than one taxpayer with respect to the
16 same insured individual **IN THE SAME TAXABLE YEAR;** and

17 (3) may not be claimed with respect to an insured individual if:

18 (i) the insured individual was covered by long-term care
19 insurance at any time before [July 1, 2000] **JANUARY 1, 2014;** [or] **AND**

20 (ii) the credit has been claimed with respect to that insured
21 individual by any taxpayer for any [prior] taxable year **BEGINNING BEFORE**
22 **JANUARY 1, 2014.**

23 (d) (1) The total amount of the credit allowed under this section for any
24 taxable year may not exceed the State income tax for that taxable year, calculated
25 before application of the credits under this section and §§ 10-701 and 10-701.1 of this
26 subtitle, but after application of the other credits allowable under this subtitle.

27 (2) The unused amount of the credit for any taxable year may not be
28 carried over to any other taxable year.

29 (e) The credit allowed under this section does not affect the treatment under
30 this title of any deduction or exclusion allowed for federal income tax purposes for the
31 eligible long-term care premiums paid by the individual.

32 (f) On or before December 1, 2005 and each December 1 thereafter, the
33 Comptroller shall report to the Governor and, subject to § 2-1246 of the State

1 Government Article, to the General Assembly, regarding the credit allowed under this
2 section, including:

3 (1) the number of individuals who have claimed the credit, the amount
4 allowed as credits, and the additional number of individuals covered by long-term care
5 insurance as a result of the credit; and

6 (2) the savings under the State's Medical Assistance Program as a
7 result of additional individuals being covered by long-term care insurance as a result
8 of the credit.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 2013, and shall be applicable to all taxable years beginning after December 31,
11 2013.