

HOUSE BILL 778

Q3
HB 578/13 – W&M

4lr0385

By: **Delegates Hubbard, Afzali, Aumann, Barkley, Barnes, Barve, Bates, Boteler, Cullison, Elliott, Frank, Frush, Gaines, George, Guzzone, Holmes, Hough, Howard, Impallaria, Ivey, Kaiser, A. Kelly, Kramer, Krebs, Luedtke, McConkey, A. Miller, Myers, Nathan–Pulliam, Niemann, O’Donnell, Pena–Melnyk, Proctor, Ready, Serafini, Smigiel, Sophocleus, Summers, Valentino–Smith, Walker, and Wood**

Introduced and read first time: February 3, 2014

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; requiring the Maryland Insurance
7 Administration to initiate a certain public awareness campaign; providing for
8 the application of this Act; and generally relating to a certain income tax credit
9 for eligible long–term care insurance premiums.

10 BY repealing and reenacting, with amendments,
11 Article – Tax – General
12 Section 10–718
13 Annotated Code of Maryland
14 (2010 Replacement Volume and 2013 Supplement)

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

17 **Article – Tax – General**

18 10–718.

19 (a) In this section, “eligible long–term care premiums” means eligible
20 long–term care premiums within the meaning of § 213(d)(10) of the Internal Revenue

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Code for a long-term care insurance contract covering an individual who is a
2 Maryland resident.

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

8 (c) The credit allowed under this section:

9 (1) [may not exceed \$500 for] **WITH RESPECT TO** each insured
10 **INDIVIDUAL** covered by long-term care insurance for which the [individual]
11 **TAXPAYER** pays the premiums, **MAY NOT EXCEED:**

12 (I) **\$250 FOR TAXABLE YEARS BEGINNING JANUARY 1,**
13 **2015, AND JANUARY 1, 2016; AND**

14 (II) **\$500 FOR THE TAXABLE YEAR BEGINNING JANUARY 1,**
15 **2017, AND EACH TAXABLE YEAR THEREAFTER;**

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

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

19 (i) the insured individual was covered by long-term care
20 insurance at any time before [July 1, 2000] **JANUARY 1, 2015; [or] AND**

21 (ii) the credit has been claimed with respect to that insured
22 individual by any taxpayer for any [prior] taxable year **BEGINNING BEFORE**
23 **JANUARY 1, 2015.**

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

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

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

1 **(F) ON OR BEFORE DECEMBER 1, 2014, THE MARYLAND INSURANCE**
2 **ADMINISTRATION SHALL INITIATE A STATEWIDE PUBLIC AWARENESS**
3 **CAMPAIGN TO INFORM AND EDUCATE THE PUBLIC ABOUT THE BENEFITS OF**
4 **PURCHASING AND MAINTAINING LONG-TERM CARE INSURANCE.**

5 **[(f)] (G)** On or before December 1, 2005 and each December 1 thereafter,
6 the Comptroller shall report to the Governor and, subject to § 2-1246 of the State
7 Government Article, to the General Assembly, regarding the credit allowed under this
8 section, including:

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

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

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 2014, and shall be applicable to all taxable years beginning after December 31,
17 2014.