

# SENATE BILL 478

Q3  
SB 23/13 – B&T

4lr0649

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By: **Senators Klausmeier, Dyson, Jacobs, Kasemeyer, King, Madaleno, Manno, Peters, Reilly, Rosapepe, and Young**

Introduced and read first time: January 27, 2014

Assigned to: Budget and Taxation

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## 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 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  
21 Code for a long–term care insurance contract covering an individual who is a  
22 Maryland resident.

23 (b) [An individual] **A TAXPAYER** may claim a credit against the State

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 income tax in an amount equal to 100% of the eligible long-term care premiums paid  
2 by the [individual] TAXPAYER during the taxable year for long-term care insurance  
3 covering the [individual] TAXPAYER or the [individual's] TAXPAYER'S spouse, parent,  
4 stepparent, child, or stepchild.

5 (c) The credit allowed under this section:

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

9 (I) \$250 FOR TAXABLE YEARS BEGINNING JANUARY 1,  
10 2015, AND JANUARY 1, 2016; AND

11 (II) \$500 FOR THE TAXABLE YEAR BEGINNING JANUARY 1,  
12 2017, AND EACH TAXABLE YEAR THEREAFTER;

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

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

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

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

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

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

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

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

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

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

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

11           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 July 1, 2014, and shall be applicable to all taxable years beginning after December 31,  
13 2014.