

HOUSE BILL 1799

Q3

8lr4011

By: **Delegates S. Howard, Arentz, Beidle, Carey, Chang, Clark, Fisher, Malone, McConkey, Saab, Sophocleus, and Waldstreicher**

Introduced and read first time: March 5, 2018

Assigned to: Rules and Executive Nominations

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 income
4 tax for certain long–term care premiums paid by a taxpayer; making certain stylistic
5 changes; providing for the application of this Act; and generally relating to a tax
6 credit for eligible long–term care premiums.

7 BY repealing and reenacting, with amendments,

8 Article – Tax – General

9 Section 10–718

10 Annotated Code of Maryland

11 (2016 Replacement Volume and 2017 Supplement)

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

14 **Article – Tax – General**

15 10–718.

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (c) The credit allowed under this section:

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

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

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

8 (i) the insured individual was covered by long-term care insurance
9 at any time before July 1, 2000; or

10 (ii) the credit has been claimed with respect to that insured
11 individual by any taxpayer for any prior taxable year].

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

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

18 (e) The credit allowed under this section does not affect the treatment under this
19 title of any deduction or exclusion allowed for federal income tax purposes for the eligible
20 long-term care premiums paid by the [individual] **TAXPAYER**.

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

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

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

30 **SECTION 2. AND BE IT FURTHER ENACTED**, That this Act shall take effect July
31 1, 2018, and shall be applicable to all taxable years beginning after December 31, 2017.