



## **Statement of Maryland Rural Health Association**

To the Budget and Taxation Committee

March 11, 2020

Senate Bill 786: Income Tax – Credit for Long-Term Care Premiums

### **POSITION: LETTER OF INFORMATION**

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Senator Klausmeier, Chair Guzzone, Vice Chair Rosapepe, and members of the Budget and Taxation Committee, the Maryland Rural Health Association (MRHA) submits this **LETTER OF INFORMATION** for Senate Bill 786: Income Tax – Credit for Long-Term Care Premiums.

This legislation would alter the existing one-time long-term care insurance premiums income tax credit by allowing the credit to be claimed for every year a policy is in force. In tax years 2021 and 2022, individuals can claim a maximum credit of \$250 for each year the policy is in effect; the maximum credit that can be claimed is increased to \$500 beginning in tax year 2023. The changes in the credit are applicable only to policies issued after December 31, 2020.

MRHA's mission is to educate and advocate for the optimal health and wellness of rural communities and their residents. Membership is comprised of health departments, hospitals, community health centers, health professionals, and community members in rural Maryland.

Rural Maryland represents almost 80 percent of Maryland's land area and 25% of its population. Of Maryland's 24 counties, 18 are considered rural by the state, and with a population of over 1.6 million they differ greatly from the urban areas in the state.

Maryland law states that "many rural communities in the State face a host of difficult challenges relating to persistent unemployment, poverty, changing technological and economic conditions, an aging population and an out-migration of youth, inadequate access to quality housing, health care and other services, and deteriorating or inadequate transportation, communications, sanitations, and economic development infrastructure." (West's Annotated Code of Maryland, State Finance and Procurement § 2-207.8b)

**MRHA believes that this legislation is a step toward alleviating access to long-term care for rural Marylanders. However, it does not address the underlying issue of the need for community capacity building and the need for increased facilities that would lessen the burden of finding available facilities. To ensure the optimal health and wellness of rural communities and their residents, MRHA recommends that more consideration be given to the deficiency in access to long term care for rural communities.**

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