
By: Delegates Redmer, Stup, McKee, Crumlin, Hammen, Klausmeier, Love, Goldwater, Ports, Schade, Walkup, D. Davis, and Eckardt

Introduced and read first time: February 1, 1996

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Subtraction Modification for Long-Term Care Insurance Premiums**

3 FOR the purpose of providing a subtraction modification under the Maryland income tax
4 for certain amounts paid by or on behalf of an individual for premiums for
5 long-term care insurance; providing for the application of this Act;and generally
6 relating to a subtraction modification for certain amounts paid for long-term care
7 insurance premiums.

8 BY repealing and reenacting, without amendments,

9 Article - Tax - General
10 Section 10-208(a)
11 Annotated Code of Maryland
12 (1988 Volume and 1995 Supplement)

13 BY adding to

14 Article - Tax - General
15 Section 10-208(i-3)
16 Annotated Code of Maryland
17 (1988 Volume and 1995 Supplement)

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

20 **Article - Tax - General**

21 10-208.

22 (a) In addition to the modification under § 10-207 of this subtitle,the amounts
23 under this section are subtracted from the federal adjusted gross income of a resident to
24 determine Maryland adjusted gross income.

25 (I-3) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE
26 SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNTS
27 PAID BY AN INDIVIDUAL OR BY AN EMPLOYER ON BEHALF OF THE INDIVIDUAL AS
28 PREMIUMS FOR LONG-TERM CARE INSURANCE.

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1 (2) (I) THE SUBTRACTION ALLOWED UNDER THIS SECTION DOES NOT
2 INCLUDE AMOUNTS PAID BY AN INDIVIDUAL'S EMPLOYER ON BEHALF OF THE
3 INDIVIDUAL UNLESS THOSE AMOUNTS ARE INCLUDED IN THE INDIVIDUAL'S
4 FEDERAL ADJUSTED GROSS INCOME.

5 (II) THE SUBTRACTION UNDER THIS SUBSECTION MAY NOT
6 EXCEED 7.5% OF THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 July 1, 1996, and shall be applicable to all taxable years beginning after December 31,
9 1995.