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**By: Senator Teitelbaum**

Introduced and read first time: January 30, 1997

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Credit for Long-Term Care Expenses**

3 FOR the purpose of allowing an individual a credit against the State income tax for  
4 certain long-term care expenses paid by the individual; defining a certain term;  
5 providing for the application of this Act; and generally relating to a credit against  
6 the State income tax for certain long-term care expenses.

7 BY adding to

8 Article - Tax - General  
9 Section 10-708  
10 Annotated Code of Maryland  
11 (1988 Volume and 1996 Supplement)

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

14 **Article - Tax - General**

15 10-708.

16 (A) IN THIS SECTION, "QUALIFIED LONG-TERM CARE SERVICES" HAS THE  
17 MEANING STATED IN § 7702B(C) OF THE INTERNAL REVENUE CODE.

18 (B) (1) SUBJECT TO THE LIMITATION UNDER PARAGRAPH (2) OF THIS  
19 SUBSECTION, AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE INCOME  
20 TAX IN AN AMOUNT EQUAL TO 20% OF THE EXPENSES PAID BY THE INDIVIDUAL  
21 DURING THE TAXABLE YEAR, BUT NOT COMPENSATED FOR BY INSURANCE OR  
22 OTHERWISE, FOR QUALIFIED LONG-TERM CARE SERVICES PROVIDED TO THE  
23 INDIVIDUAL, THE INDIVIDUAL'S SPOUSE, OR A DEPENDENT, AS DEFINED IN § 152 OF  
24 THE INTERNAL REVENUE CODE.

25 (2) THE CREDIT ALLOWED UNDER THIS SECTION:

26 (I) MAY NOT EXCEED \$300 FOR ANY TAXABLE YEAR; AND

27 (II) IS NOT ALLOWED IF THE INDIVIDUAL MAY BE CLAIMED AS A  
28 DEPENDENT ON ANOTHER INDIVIDUAL'S TAX RETURN.

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1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 July 1, 1997 and shall be applicable to all taxable years beginning after December 31,  
3 1996.