
By: **Senators Teitelbaum, Sfikas, Blount, Pinsky, McFadden, Dyson, and Forehand**

Introduced and read first time: February 6, 1998

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of allowing certain individuals a credit against the State income tax
4 for certain long-term care expenses provided to a qualified family member;
5 defining certain terms; providing for the application of this Act; and generally
6 relating to a credit against the State income tax for certain long-term care
7 expenses.

8 BY adding to
9 Article - Tax - General
10 Section 10-709
11 Annotated Code of Maryland
12 (1997 Replacement Volume)

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

15 **Article - Tax - General**

16 10-709.

17 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
18 INDICATED.

19 (2) "QUALIFIED FAMILY MEMBER" MEANS A RESIDENT OF MARYLAND
20 WHO IS THE INDIVIDUAL OR IS AN INDIVIDUAL RELATED TO THE INDIVIDUAL BY
21 BLOOD, MARRIAGE, OR ADOPTION.

22 (3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
23 PARAGRAPH, "QUALIFIED LONG-TERM CARE SERVICES" HAS THE MEANING STATED
24 IN § 7702B(C) OF THE INTERNAL REVENUE CODE.

25 (II) "QUALIFIED LONG-TERM CARE SERVICES" DOES NOT INCLUDE
26 SERVICES TO RESIDENTS OF A NURSING HOME, ASSISTED LIVING FACILITY, OR
27 SIMILAR INSTITUTION.

1 (B) SUBJECT TO THE LIMITATIONS UNDER SUBSECTION (C) OF THIS SECTION,
2 AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN
3 AMOUNT EQUAL TO THE LESSER OF:

4 (1) 20% OF THE EXPENSES PAID BY THE INDIVIDUAL DURING THE
5 TAXABLE YEAR AND NOT COMPENSABLE BY INSURANCE OR OTHERWISE FOR
6 QUALIFIED LONG-TERM CARE SERVICES PROVIDED TO A QUALIFIED FAMILY
7 MEMBER; OR

8 (2) THE STATE INCOME TAX IMPOSED FOR THE TAXABLE YEAR.

9 (C) (1) THE CREDIT UNDER THIS SECTION IS NOT ALLOWED TO AN
10 INDIVIDUAL WHOSE FEDERAL ADJUSTED GROSS INCOME EXCEEDS \$45,000.

11 (2) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS
12 SECTION MAY NOT EXCEED \$300.

13 (3) FOR A MARRIED INDIVIDUAL FILING A SEPARATE INCOME TAX
14 RETURN:

15 (I) THE CREDIT IS NOT ALLOWED IF THE INDIVIDUAL'S MARYLAND
16 TAXABLE INCOME EXCEEDS \$20,000; AND

17 (II) THE CREDIT MAY NOT EXCEED \$150 FOR ANY TAXABLE YEAR.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 July 1, 1998 and shall be applicable to all taxable years beginning after December 31,
20 1997.