
By: **Senators Hollinger, Fry, Forehand, Dorman, Haines, Middleton,
Lawlah, Craig, Derr, Green, and McCabe**

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 Insurance Premiums**

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

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) IN THIS SECTION, "ELIGIBLE LONG-TERM CARE INSURANCE PREMIUMS"
18 MEANS ELIGIBLE LONG-TERM CARE PREMIUMS WITHIN THE MEANING OF §
19 213(D)(10) OF THE INTERNAL REVENUE CODE FOR A LONG-TERM CARE INSURANCE
20 CONTRACT COVERING AN INDIVIDUAL WHO IS A MARYLAND RESIDENT.

21 (B) AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX
22 IN AN AMOUNT EQUAL TO 25% OF THE ELIGIBLE LONG-TERM CARE PREMIUMS PAID
23 BY THE INDIVIDUAL DURING THE TAXABLE YEAR FOR LONG-TERM CARE INSURANCE
24 COVERING THE INDIVIDUAL OR THE INDIVIDUAL'S SPOUSE, PARENT, STEPPARENT,
25 CHILD, OR STEPCHILD.

26 (C) THE CREDIT ALLOWED UNDER THIS SECTION:

1 (1) MAY NOT EXCEED \$100 FOR EACH INSURED COVERED BY
2 LONG-TERM INSURANCE FOR WHICH THE INDIVIDUAL PAYS THE PREMIUMS; AND

3 (2) MAY NOT BE CLAIMED BY MORE THAN ONE TAXPAYER WITH
4 RESPECT TO THE SAME INSURED INDIVIDUAL.

5 (D) THE CREDIT ALLOWED UNDER THIS SECTION DOES NOT AFFECT THE
6 TREATMENT UNDER THIS TITLE OF ANY DEDUCTION OR EXCLUSION ALLOWED FOR
7 FEDERAL INCOME TAX PURPOSES FOR THE ELIGIBLE LONG-TERM CARE PREMIUMS
8 PAID BY THE INDIVIDUAL.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 1998 and shall be applicable to all taxable years beginning after December 31,
11 1997.