

SENATE BILL 170

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Q3
SB 157/99 - B&T

2000 Regular Session
0lr1256

By: **Senators Hollinger, Ruben, Middleton, Lawlah, Munson, DeGrange,
Collins, Dorman, Green, Jacobs, Blount, Ferguson, Sfikas, Teitelbaum,
Stone, Conway, Colburn, Bromwell, Astle, Kelley, Forehand, Hooper,
Roesser, Pinsky, Frosh, and Mooney**

Introduced and read first time: January 21, 2000

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; requiring the Comptroller to report to the Governor and General
6 Assembly regarding the credit on or before certain dates; providing for the
7 application of this Act; and generally relating to a credit against the State
8 income tax for certain long-term care insurance premiums.

9 BY adding to

10 Article - Tax - General

11 Section 10-718

12 Annotated Code of Maryland

13 (1997 Replacement Volume and 1999 Supplement)

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

16 **Article - Tax - General**

17 10-718.

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

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

1 (C) THE CREDIT ALLOWED UNDER THIS SECTION:

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

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

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

10 (E) ON OR BEFORE DECEMBER 1, 2005 AND EACH DECEMBER 1 THEREAFTER,
11 THE COMPTROLLER SHALL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF
12 THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY, REGARDING THE
13 CREDIT ALLOWED UNDER THIS SECTION, INCLUDING:

14 (1) THE NUMBER OF INDIVIDUALS WHO HAVE CLAIMED THE CREDIT,
15 THE AMOUNT ALLOWED AS CREDITS, AND THE ADDITIONAL NUMBER OF
16 INDIVIDUALS COVERED BY LONG-TERM CARE INSURANCE AS A RESULT OF THE
17 CREDIT; AND

18 (2) THE SAVINGS UNDER THE STATE'S MEDICAL ASSISTANCE PROGRAM
19 AS A RESULT OF ADDITIONAL INDIVIDUALS BEING COVERED BY LONG-TERM CARE
20 INSURANCE AS A RESULT OF THE CREDIT.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 July 1, 2000 and shall be applicable to all taxable years beginning after December 31,
23 1999.