
By: **Delegates Finifter, Bartlett, Bohanan, Cadden, Carlson, Conroy, Cryor,
C. Davis, Healey, Kach, Klima, Leopold, Marriott, McKee, Morhaim,
Patterson, Phillips, Ports, Rosso, and Zirkin**

Introduced and read first time: February 4, 2002

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit - Elder Care**

3 FOR the purpose of allowing an individual whose income does not exceed certain
4 amounts to claim a credit against the State income tax in a certain amount if the
5 individual cares for an elderly dependent under certain circumstances; allowing
6 an employer a credit against the State income tax for certain costs of providing
7 elder care for employees during work hours; providing for the application of this
8 Act; and generally relating to certain State income tax credits for elder care.

9 BY adding to
10 Article - Tax - General
11 Section 10-724
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 2001 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 10-724.

18 (A) AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX
19 FOR THE TAXABLE YEAR IN AN AMOUNT EQUAL TO \$1,000 IF:

20 (1) THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME DOES NOT
21 EXCEED:

22 (I) \$40,000 IN THE CASE OF A SINGLE INDIVIDUAL; OR

23 (II) \$75,000 IN THE CASE OF A MARRIED COUPLE FILING A JOINT
24 RETURN; AND

25 (2) THE INDIVIDUAL CARES FOR AN ELDERLY DEPENDENT:

1 (I) WHO IS AT LEAST 65 YEARS OLD;

2 (II) WHO IS RELATED TO THE TAXPAYER WITHIN THE THIRD
3 DEGREE OF CONSANGUINITY;

4 (III) WHO RESIDED WITH THE TAXPAYER FOR THE 12 MONTHS
5 IMMEDIATELY PRECEDING THE TAXABLE YEAR FOR WHICH THE CREDIT UNDER THIS
6 SECTION IS CLAIMED; AND

7 (IV) WHOSE FEDERAL ADJUSTED GROSS INCOME DOES NOT
8 EXCEED:

9 1. \$13,000 FOR A SINGLE ELDERLY DEPENDENT; OR

10 2. \$20,000 FOR MARRIED ELDERLY DEPENDENTS.

11 (B) (1) AN INDIVIDUAL OR CORPORATION THAT IS AN EMPLOYER MAY
12 CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL TO 25% OF
13 THE AMOUNT EXPENDED BY THE EMPLOYER TO PROVIDE ELDER CARE FOR
14 EMPLOYEES DURING WORK HOURS.

15 (2) THE CREDIT ALLOWED UNDER THIS SUBSECTION MAY BE ALLOWED
16 FOR:

17 (I) THE COST OF ANY CONTRACT FOR OFF-SITE SERVICES TO
18 PROVIDE ELDER CARE;

19 (II) THE EXPENSES OF ON-SITE ELDER CARE STAFF, LEARNING
20 AND RECREATIONAL MATERIALS, AND EQUIPMENT; AND

21 (III) THE COSTS OF CONSTRUCTION AND MAINTENANCE OF AN
22 ON-SITE ELDER CARE FACILITY.

23 (3) THE CREDIT UNDER THIS SUBSECTION MAY NOT BE CLAIMED
24 UNLESS THE EMPLOYER HAS A TOTAL OFF-SITE OR ON-SITE ENROLLMENT OF AT
25 LEAST SIX INDIVIDUALS AT LEAST 65 YEARS OLD WHO ARE RECEIVING ELDER CARE.

26 (C) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE STATE
27 INCOME TAX, ANY UNUSED CREDIT MAY BE CARRIED FORWARD AND APPLIED FOR
28 SUCCEEDING TAXABLE YEARS, UNTIL THE EARLIER OF:

29 (1) THE FULL AMOUNT OF THE CREDIT IS USED; OR

30 (2) THE EXPIRATION OF THE THIRD TAXABLE YEAR AFTER THE YEAR IN
31 WHICH THE CREDIT AROSE.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 July 1, 2002 and shall be applicable to all taxable years beginning after December 31,
34 2001.