
By: **The Speaker (By Request - Administration) and Delegates Aumann, Barkley, Bartlett, Boteler, Bronrott, Conroy, Cryor, C. Davis, Doory, Eckardt, Edwards, Elliott, Elmore, Feldman, Franchot, Goodwin, Gordon, Healey, Heller, Hixson, Hubbard, Kach, Kaiser, King, Kirk, Krebs, Kullen, Madaleno, Mandel, Montgomery, Morhaim, Murray, O'Donnell, Parker, Pugh, Ramirez, Shewell, Smigiel, Sossi, Stern, Stull, Taylor, Walkup, and Weldon**

Introduced and read first time: January 25, 2006

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Subtraction Modification for Long-Term Care Provided by an**
3 **Eligible Caregiver**

4 FOR the purpose of allowing a subtraction modification in a certain amount for
5 long-term care provided by an eligible caregiver to certain individuals under
6 certain circumstances; providing that if the subtraction modification for
7 long-term care exceeds Maryland taxable income under certain circumstances
8 that the excess may be carried forward for a certain number of years; defining
9 certain terms; providing for the application of this Act; and generally relating to
10 a subtraction modification for long-term care provided by an eligible caregiver
11 to certain applicable individuals.

12 BY repealing and reenacting, without amendments,
13 Article - Tax - General
14 Section 10-208(a)
15 Annotated Code of Maryland
16 (2004 Replacement Volume and 2005 Supplement)

17 BY adding to
18 Article - Tax - General
19 Section 10-208(q)
20 Annotated Code of Maryland
21 (2004 Replacement Volume and 2005 Supplement)

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

Article - Tax - General

10-208.

(a) In addition to the modification under § 10-207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(Q) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) "APPLICABLE INDIVIDUAL" MEANS ANY INDIVIDUAL WHO IS AT LEAST 18 YEARS OLD AND HAS BEEN CERTIFIED BY A LICENSED PHYSICIAN IN THE STATE AS AN INDIVIDUAL WITH LONG-TERM CARE NEEDS FOR AT LEAST 180 CONSECUTIVE DAYS DURING THE TAXABLE YEAR.

(III) "ELIGIBLE CAREGIVER" MEANS A TAXPAYER WHO IS THE:

1. APPLICABLE INDIVIDUAL'S SPOUSE; OR

2. INDIVIDUAL WHO CARES FOR AN APPLICABLE INDIVIDUAL AS A DEPENDENT WHO MEETS THE REQUIREMENTS OF PARAGRAPH (2) OF THIS SUBSECTION.

(IV) "INDIVIDUAL WITH LONG-TERM CARE NEEDS" MEANS AN INDIVIDUAL WHO IS:

1. UNABLE TO PERFORM WITHOUT SUBSTANTIAL ASSISTANCE FROM ANOTHER INDIVIDUAL AT LEAST THREE ACTIVITIES OF DAILY LIVING AS DEFINED IN § 7702B(C)(2)(B) OF THE INTERNAL REVENUE CODE; OR

2. UNABLE TO PERFORM WITHOUT SUBSTANTIAL ASSISTANCE FROM ANOTHER INDIVIDUAL AT LEAST ONE OF THE ACTIVITIES OF DAILY LIVING AS DEFINED IN § 7702B(C)(2)(B) OF THE INTERNAL REVENUE CODE AND WHO REQUIRES SUBSTANTIAL SUPERVISION TO PROTECT THE INDIVIDUAL FROM THREATS TO HEALTH AND SAFETY DUE TO SEVERE COGNITIVE IMPAIRMENT.

(2) TO QUALIFY AS A DEPENDENT OF AN ELIGIBLE CAREGIVER, THE APPLICABLE INDIVIDUAL:

(I) SHALL BE THE ELIGIBLE CAREGIVER'S PARENT, STEPPARENT, GRANDPARENT, CHILD, STEPCHILD, SIBLING, AUNT, UNCLE, SON-IN-LAW, DAUGHTER-IN-LAW, MOTHER-IN-LAW, FATHER-IN-LAW, OR A MEMBER OF THE HOUSEHOLD OF THE ELIGIBLE CAREGIVER FOR THE ENTIRE TAXABLE YEAR; AND

(II) MAY NOT HAVE A FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR THAT EXCEEDS \$10,000.

(3) FOR AN INDIVIDUAL WHOSE FEDERAL ADJUSTED GROSS INCOME DOES NOT EXCEED \$150,000, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS

1 SECTION INCLUDES AN AMOUNT EQUAL TO \$1,000 FOR LONG-TERM CARE PROVIDED
2 BY AN ELIGIBLE CAREGIVER TO AN APPLICABLE INDIVIDUAL DURING THE TAXABLE
3 YEAR.

4 (4) IF THE SUBTRACTION ALLOWED UNDER PARAGRAPH (3) OF THIS
5 SUBSECTION EXCEEDS THE MARYLAND TAXABLE INCOME THAT IS COMPUTED
6 WITHOUT THE MODIFICATION ALLOWED UNDER THIS SUBSECTION AND THE
7 SUBTRACTION IS NOT USED FOR THE TAXABLE YEAR, THE EXCESS MAY BE CARRIED
8 OVER TO SUCCEEDING TAXABLE YEARS, NOT TO EXCEED 5 YEARS, UNTIL THE FULL
9 AMOUNT OF THE SUBTRACTION IS USED.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 July 1, 2006, and shall be applicable to taxable years after December 31, 2005.