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By: **The Speaker (By Request - Administration) and Delegates Gordon, 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 Weldon, Anderson, Benson, Boschert, Bozman, Cadden, Cardin, Donoghue, Gilleland, Goldwater, Howard, Marriott, McKee, Myers, Patterson, Pendergrass, Petzold, Ross, and Trueschler**

Introduced and read first time: January 25, 2006  
Assigned to: Ways and Means

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 14, 2006

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CHAPTER \_\_\_\_\_

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

1 Article - Tax - General  
2 Section 10-208(q)  
3 Annotated Code of Maryland  
4 (2004 Replacement Volume and 2005 Supplement)

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

7 **Article - Tax - General**

8 10-208.

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

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

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

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

- 19 1. APPLICABLE INDIVIDUAL'S SPOUSE; OR  
20 2. INDIVIDUAL WHO CARES FOR AN APPLICABLE  
21 INDIVIDUAL AS A DEPENDENT WHO MEETS THE REQUIREMENTS OF PARAGRAPH (2)  
22 OF THIS SUBSECTION.

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

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

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

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

35 (I) SHALL BE THE ELIGIBLE CAREGIVER'S PARENT, STEPPARENT,  
36 GRANDPARENT, CHILD, STEPCCHILD, SIBLING, AUNT, UNCLE, SON-IN-LAW,

1 DAUGHTER-IN-LAW, MOTHER-IN-LAW, FATHER-IN-LAW, OR A MEMBER OF THE  
2 HOUSEHOLD OF THE ELIGIBLE CAREGIVER FOR THE ENTIRE TAXABLE YEAR; AND

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

5 (3) FOR AN INDIVIDUAL WHOSE FEDERAL ADJUSTED GROSS INCOME  
6 DOES NOT EXCEED \$150,000, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS  
7 SECTION INCLUDES AN AMOUNT EQUAL TO \$1,000 FOR LONG-TERM CARE PROVIDED  
8 BY AN ELIGIBLE CAREGIVER TO AN APPLICABLE INDIVIDUAL DURING THE TAXABLE  
9 YEAR.

10 ~~(4) IF THE SUBTRACTION ALLOWED UNDER PARAGRAPH (3) OF THIS~~  
11 ~~SUBSECTION EXCEEDS THE MARYLAND TAXABLE INCOME THAT IS COMPUTED~~  
12 ~~WITHOUT THE MODIFICATION ALLOWED UNDER THIS SUBSECTION AND THE~~  
13 ~~SUBTRACTION IS NOT USED FOR THE TAXABLE YEAR, THE EXCESS MAY BE CARRIED~~  
14 ~~OVER TO SUCCEEDING TAXABLE YEARS, NOT TO EXCEED 5 YEARS, UNTIL THE FULL~~  
15 ~~AMOUNT OF THE SUBTRACTION IS USED.~~

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 July 1, 2006, and shall be applicable to all taxable years beginning after December 31,  
18 2005.