

---

By: **Delegates Stocksdale, Aumann, Barkley, Bartlett, Bates, Boschert, Bozman, Caden, V. Clagett, Costa, Dwyer, Eckardt, Elliott, Elmore, Frank, Gilleland, Impallaria, James, Jameson, Jennings, Kelly, Kohl, Krebs, Kullen, Levy, Love, Madaleno, McComas, McKee, Miller, Niemann, O'Donnell, Parker, Pendergrass, Shewell, Sossi, F. Turner, Walkup, and Weldon**

Introduced and read first time: January 30, 2006

Assigned to: Ways and Means

---

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Credit for Long-Term Care Premiums - Modifications**

3 FOR the purpose of removing certain limitations on a certain income tax credit for  
4 eligible long-term care premiums; altering the amount of a certain income tax  
5 credit that may be claimed for eligible long-term care premiums; providing for  
6 the application of this Act; and generally relating to a certain income tax credit  
7 for eligible long-term care premiums.

8 BY repealing and reenacting, with amendments,  
9 Article - Tax - General  
10 Section 10-718  
11 Annotated Code of Maryland  
12 (2004 Replacement Volume and 2005 Supplement)

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 10-718.

17 (a) In this section, "eligible long-term care premiums" means eligible  
18 long-term care premiums within the meaning of § 213(d)(10) of the Internal Revenue  
19 Code for a long-term care insurance contract covering an individual who is a  
20 Maryland resident.

21 (b) An individual may claim a credit against the State income tax in an  
22 amount equal to 100% of the eligible long-term care premiums paid by the individual  
23 during the taxable year for long-term care insurance covering the individual or the  
24 individual's spouse, parent, stepparent, child, or stepchild.

1 (c) The credit allowed under this section:

2 (1) may not exceed [500] \$100 for each insured covered by long-term  
3 care insurance for which the individual pays the premiums; AND

4 (2) may not be claimed by more than one taxpayer with respect to the  
5 same insured individual; and

6 (3) may not be claimed with respect to an insured individual if:

7 (i) the insured individual was covered by long-term care insurance  
8 at any time before July 1, 2000; or

9 (ii) the credit has been claimed with respect to that insured  
10 individual by any taxpayer for any prior taxable year].

11 (d) (1) The total amount of the credit allowed under this section for any  
12 taxable year may not exceed the State income tax for that taxable year, calculated  
13 before application of the credits under this section and §§ 10-701 and 10-701.1 of this  
14 subtitle, but after application of the other credits allowable under this subtitle.

15 (2) The unused amount of the credit for any taxable year may not be  
16 carried over to any other taxable year.

17 (e) The credit allowed under this section does not affect the treatment under  
18 this title of any deduction or exclusion allowed for federal income tax purposes for the  
19 eligible long-term care premiums paid by the individual.

20 (f) On or before December 1, 2005 and each December 1 thereafter, the  
21 Comptroller shall report to the Governor and, subject to § 2-1246 of the State  
22 Government Article, to the General Assembly, regarding the credit allowed under this  
23 section, including:

24 (1) the number of individuals who have claimed the credit, the amount  
25 allowed as credits, and the additional number of individuals covered by long-term  
26 care insurance as a result of the credit; and

27 (2) the savings under the State's Medical Assistance Program as a result  
28 of additional individuals being covered by long-term care insurance as a result of the  
29 credit.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
31 July 1, 2006, and shall be applicable to all taxable years beginning after December 31,  
32 2005.