

HOUSE BILL 435

Q3
HB 489/06 – W&M

71r2120

By: **Delegates Stocksdale, Aumann, Barkley, Bates, Costa, Dwyer, Eckardt, Elliott, Elmore, George, Haddaway, Krebs, McComas, McConkey, Shewell, Sophocleus, Sossi, Walkup, and Wood**

Introduced and read first time: February 5, 2007

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 2006 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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Code for a long-term care insurance contract covering an individual who is a
2 Maryland resident.

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

7 (c) The credit allowed under this section:

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

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

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

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

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

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

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

23 (e) The credit allowed under this section does not affect the treatment under
24 this title of any deduction or exclusion allowed for federal income tax purposes for the
25 eligible long-term care premiums paid by the [individual] **TAXPAYER**.

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

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

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

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 July 1, 2007, and shall be applicable to all taxable years beginning after December 31,
9 2006.