A BILL ENTITLED

AN ACT concerning

Income Tax – Caregiver Tax Credit

FOR the purpose of allowing certain caregivers to claim a credit against the State income tax for certain qualifying expenses paid or incurred during a taxable year to provide certain goods, services, or support to certain family members with long-term care needs; and generally relating to an income tax credit for caregivers.

BY adding to

Article – Tax – General
Section 10–754
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)

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

Article – Tax – General

10–754.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “ELIGIBLE CAREGIVER” MEANS AN INDIVIDUAL WHO PAID OR INCURRED QUALIFIED EXPENSES DURING THE TAXABLE YEAR.

(3) “GOODS, SERVICES, AND SUPPORT” INCLUDES:

(I) HUMAN ASSISTANCE, SUPERVISION, CUEING, AND STANDBY ASSISTANCE;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
(II) ASSISTIVE TECHNOLOGIES AND DEVICES SUCH AS REMOTE HEALTH MONITORING;

(III) ENVIRONMENTAL MODIFICATIONS SUCH AS HOME MODIFICATIONS;

(IV) HEALTH MAINTENANCE TASKS SUCH AS MEDICATION MANAGEMENT;

(V) INFORMATION;

(VI) TRANSPORTATION OF THE QUALIFIED CARE RECIPIENT;

(VII) NONHEALTH ITEMS SUCH AS INCONTINENCE SUPPLIES; AND

(VIII) THE COORDINATION OF SERVICES FOR INDIVIDUALS WHO LIVE AT HOME, IN A RESIDENTIAL SETTING, OR IN A NURSING FACILITY AND ANY ASSOCIATED COST OF CARE.

(4) “INDIVIDUAL WITH LONG-TERM CARE NEEDS” MEANS AN INDIVIDUAL WHO:

(I) IS AT LEAST 6 YEARS OLD AND:

1. WITHOUT SUBSTANTIAL ASSISTANCE FROM ANOTHER INDIVIDUAL, IS UNABLE TO PERFORM AT LEAST TWO ACTIVITIES OF DAILY LIVING DUE TO A LOSS OF FUNCTIONAL CAPACITY; OR

2. REQUIRES SUBSTANTIAL SUPERVISION TO PROTECT THE INDIVIDUAL FROM THREATS TO HEALTH AND SAFETY DUE TO SEVERE COGNITIVE IMPAIRMENT AND IS UNABLE TO:

   A. WITHOUT REMINDING OR CUEING ASSISTANCE, PERFORM AT LEAST ONE ACTIVITY OF DAILY LIVING; OR

   B. ENGAGE IN AGE-APPROPRIATE ACTIVITIES;

(II) IS AT LEAST 2 YEARS OLD AND UNDER THE AGE OF 6 YEARS AND, WITHOUT SUBSTANTIAL ASSISTANCE FROM ANOTHER INDIVIDUAL, IS UNABLE TO EAT OR MOVE DUE TO A LOSS OF FUNCTIONAL CAPACITY; OR

(III) IS UNDER THE AGE OF TWO YEARS AND REQUIRES:
1. SPECIFIC MEDICAL EQUIPMENT DUE TO A SEVERE HEALTH CONDITION; OR

2. A SKILLED PRACTITIONER TRAINED TO ADDRESS THE INDIVIDUAL’S CONDITION TO BE AVAILABLE IF THE INDIVIDUAL’S PARENTS OR GUARDIAN ARE ABSENT.

(5) “LICENSED PHYSICIAN” HAS THE MEANING STATED IN § 14–101 OF THE HEALTH OCCUPATIONS ARTICLE.

(6) “PHYSICIAN ASSISTANT” HAS THE MEANING STATED IN § 15–101 OF THE HEALTH OCCUPATIONS ARTICLE.

(7) “QUALIFIED CARE RECIPIENT” MEANS AN INDIVIDUAL WHO, DURING THE TAXABLE YEAR:

   (I) IS AN IMMEDIATE FAMILY MEMBER OF THE ELIGIBLE CAREGIVER; AND

   (II) BEFORE THE DUE DATE FOR FILING THE STATE INCOME TAX RETURN FOR THE TAXABLE YEAR, HAS BEEN CERTIFIED AS BEING AN INDIVIDUAL WITH LONG–TERM CARE NEEDS:

   1. BY A LICENSED PHYSICIAN, PHYSICIAN ASSISTANT, OR REGISTERED NURSE PRACTITIONER; AND

   2. FOR AT LEAST 180 CONSECUTIVE DAYS, A PORTION OF WHICH OCCURS WITHIN THE TAXABLE YEAR.

(8) “QUALIFIED EXPENSES” MEANS EXPENSES PAID OR INCURRED FOR GOODS, SERVICES, OR SUPPORT THAT:

   (I) ASSIST A QUALIFIED CARE RECIPIENT WITH ACCOMPLISHING THE ACTIVITIES OF DAILY LIVING; AND

   (II) ARE PROVIDED SOLELY FOR THE USE OF THE QUALIFIED CARE RECIPIENT.

(9) “REGISTERED NURSE PRACTITIONER” HAS THE MEANING STATED IN § 8–101 OF THE HEALTH OCCUPATIONS ARTICLE.

(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN ELIGIBLE
CAREGIVER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR QUALIFIED EXPENSES PAID OR INCURRED DURING THE TAXABLE YEAR.

(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, FOR ANY TAXABLE YEAR, THE AMOUNT OF THE TAX CREDIT UNDER THIS SECTION IS EQUAL TO 30% OF THE QUALIFIED EXPENSES THAT EXCEED $2,000.

(2) FOR ANY TAXABLE YEAR, THE AMOUNT OF THE TAX CREDIT MAY NOT EXCEED THE LESSER OF:

   (i) $5,000; OR

   (ii) THE STATE INCOME TAX IMPOSED FOR THAT TAXABLE YEAR.

(3) THE AMOUNT OF THE TAX CREDIT SHALL BE REDUCED BY $100 FOR EACH $1,000 BY WHICH THE ELIGIBLE CAREGIVER’S FEDERAL ADJUSTED GROSS INCOME EXCEEDS:

   (i) $75,000, IF THE ELIGIBLE CAREGIVER IS FILING AN INDIVIDUAL TAX RETURN; OR

   (ii) $150,000, IF THE ELIGIBLE CAREGIVER IS FILING A JOINT TAX RETURN.

(4) THE UNUSED AMOUNT OF THE CREDIT MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

(D) THE COMPTROLLER MAY ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021.