

HOUSE BILL 978

Q3

2lr2765

By: **Delegates Harrison and Howell**

Introduced and read first time: February 10, 2022

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Caregiver Tax Credit**

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

7 BY adding to

8 Article – Tax – General

9 Section 10–754

10 Annotated Code of Maryland

11 (2016 Replacement Volume and 2021 Supplement)

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

14 **Article – Tax – General**

15 **10–754.**

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

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

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

21 **(I) HUMAN ASSISTANCE, SUPERVISION, CUEING, AND STANDBY**
22 **ASSISTANCE;**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (II) ASSISTIVE TECHNOLOGIES AND DEVICES SUCH AS REMOTE
2 HEALTH MONITORING;

3 (III) ENVIRONMENTAL MODIFICATIONS SUCH AS HOME
4 MODIFICATIONS;

5 (IV) HEALTH MAINTENANCE TASKS SUCH AS MEDICATION
6 MANAGEMENT;

7 (V) INFORMATION;

8 (VI) TRANSPORTATION OF THE QUALIFIED CARE RECIPIENT;

9 (VII) NONHEALTH ITEMS SUCH AS INCONTINENCE SUPPLIES; AND

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

13 (4) "INDIVIDUAL WITH LONG-TERM CARE NEEDS" MEANS AN
14 INDIVIDUAL WHO:

15 (I) IS AT LEAST 6 YEARS OLD AND:

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

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

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

24 B. ENGAGE IN AGE-APPROPRIATE ACTIVITIES;

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

28 (III) IS UNDER THE AGE OF TWO YEARS AND REQUIRES:

1 1. SPECIFIC MEDICAL EQUIPMENT DUE TO A SEVERE
2 HEALTH CONDITION; OR

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

6 (5) "LICENSED PHYSICIAN" HAS THE MEANING STATED IN § 14-101
7 OF THE HEALTH OCCUPATIONS ARTICLE.

8 (6) "PHYSICIAN ASSISTANT" HAS THE MEANING STATED IN § 15-101
9 OF THE HEALTH OCCUPATIONS ARTICLE.

10 (7) "QUALIFIED CARE RECIPIENT" MEANS AN INDIVIDUAL WHO,
11 DURING THE TAXABLE YEAR:

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

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

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

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

21 (8) "QUALIFIED EXPENSES" MEANS EXPENSES PAID OR INCURRED
22 FOR GOODS, SERVICES, OR SUPPORT THAT:

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

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

27 (9) "REGISTERED NURSE PRACTITIONER" HAS THE MEANING STATED
28 IN § 8-101 OF THE HEALTH OCCUPATIONS ARTICLE.

29 (B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN ELIGIBLE

1 CAREGIVER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR QUALIFIED
2 EXPENSES PAID OR INCURRED DURING THE TAXABLE YEAR.

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

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

8 (I) \$5,000; OR

9 (II) THE STATE INCOME TAX IMPOSED FOR THAT TAXABLE
10 YEAR.

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

14 (I) \$75,000, IF THE ELIGIBLE CAREGIVER IS FILING AN
15 INDIVIDUAL TAX RETURN; OR

16 (II) \$150,000, IF THE ELIGIBLE CAREGIVER IS FILING A JOINT
17 TAX RETURN.

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

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

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
23 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021.