

HOUSE BILL 327

Q3
HB 218/24 – W&M

5lr1260
CF SB 155

By: **Delegate Stewart**

Introduced and read first time: January 10, 2025

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credit for Long–Term Care Premiums**
3 **(Long–Term Care Relief Act of 2025)**

4 FOR the purpose of altering eligibility for and the maximum amount of a credit against the
5 State income tax for certain long–term care insurance premiums paid by a certain
6 taxpayer; and generally relating to an income tax credit for eligible long–term care
7 premiums.

8 BY repealing and reenacting, with amendments,
9 Article – Tax – General
10 Section 10–718
11 Annotated Code of Maryland
12 (2022 Replacement Volume and 2024 Supplement)

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

15 **Article – Tax – General**

16 10–718.

17 (a) **(1)** In this section[, “eligible”] **THE FOLLOWING WORDS HAVE THE**
18 **MEANINGS INDICATED.**

19 **(2)** **“ELIGIBLE long–term care premiums”** means eligible long–term care
20 premiums within the meaning of § 213(d)(10) of the Internal Revenue Code for a long–term
21 care insurance contract covering an individual who is a Maryland resident.

22 **(3)** **“TAXPAYER” MEANS A TAXPAYER WHO:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (I) IS AT LEAST 85 YEARS OLD; AND

2 (II) IN THE TAXABLE YEAR FOR WHICH A CREDIT IS CLAIMED
3 UNDER THIS SECTION, HAS MARYLAND ADJUSTED GROSS INCOME OF LESS THAN:

4 1. \$100,000 FOR A TAXPAYER FILING AS AN INDIVIDUAL;
5 OR

6 2. \$200,000 FOR A TAXPAYER FILING A JOINT RETURN.

7 (b) [An individual] SUBJECT TO THE LIMITATIONS OF THIS SECTION, A
8 TAXPAYER may claim a credit against the State income tax in an amount equal to 100% of
9 the eligible long-term care premiums paid by the [individual] TAXPAYER during the
10 taxable year for long-term care insurance covering the [individual] TAXPAYER or the
11 [individual's] TAXPAYER'S spouse, parent, stepparent, child, or stepchild.

12 (c) The credit allowed under this section:

13 (1) [may not exceed \$500 for] WITH RESPECT TO each insured
14 INDIVIDUAL covered by long-term care insurance for which the [individual] TAXPAYER
15 pays the premiums, MAY NOT EXCEED THE LESSER OF:

16 (I) 15% OF THE ELIGIBLE LONG-TERM CARE PREMIUMS PAID
17 DURING THE TAXABLE YEAR; OR

18 (II) \$1,500;

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

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

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

24 (ii) the credit has been claimed with respect to that insured
25 individual by any taxpayer for any prior taxable year] AFTER DECEMBER 31, 2004.

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

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

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

4 (f) On or before December 1, 2005, and each December 1 thereafter, the
5 Comptroller shall report to the Governor and, subject to § 2-1257 of the State Government
6 Article, to the General Assembly, regarding the credit allowed under this section, including:

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

10 (2) the savings under the State’s Medical Assistance Program as a result
11 of additional individuals being covered by long-term care insurance as a result of the credit.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
13 1, 2025, and shall be applicable to all taxable years beginning after December 31, 2024.