



One Park Place | Suite 475 | Annapolis, MD 21401-3475
1-866-542-8163 | Fax: 410-837-0269
aarp.org/md | md@aarp.org | twitter: @aarpm
facebook.com/aarpm

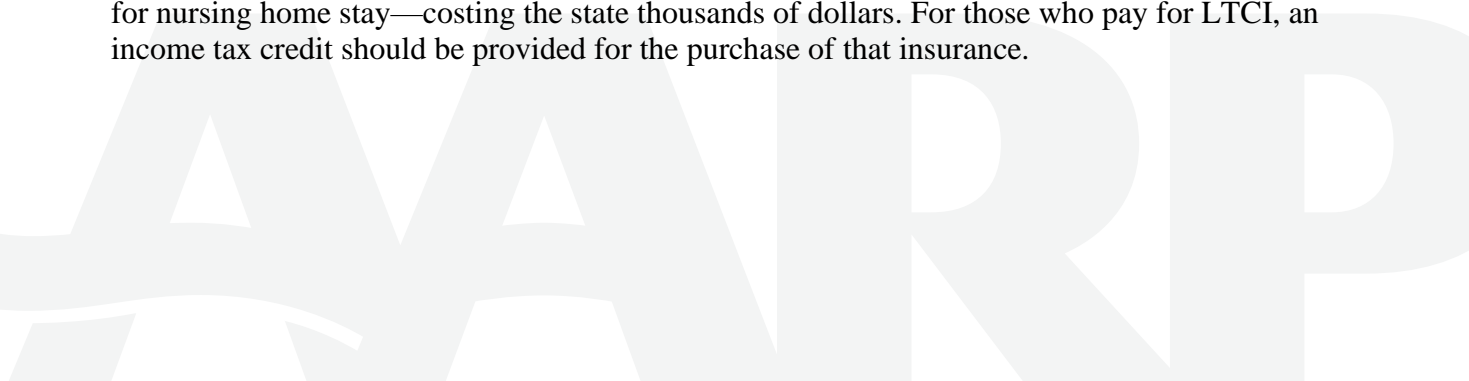
**HB160 Income Tax - Credit for Long-Term Care Premiums
(Long-Term Care Relief Act of 2023)
FAVORABLE
House Ways and Means Committee
February 2, 2023**

Good afternoon Chair Atterbeary and members of the House Ways and Means Committee. I am Karen Kalla, member of the AARP Maryland Executive Council and resident of Anne Arundel County. AARP MD and its members support HB 160 Income Tax – Credit for Long-Term Care Premiums. We thank Delegates Stewart, Williams, Amprey, Charkoudian, Crosby, Foley, Lehman, R. Lewis, Moon, Ruth, Shetty, Solomon, and Vogel for co-sponsoring this important legislation.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse.

HB160 defines a taxpayer as an individual with a Maryland adjustable gross income of less than \$250,000.00 in the taxable year in which the credit is claimed. Subject to the limitations of the bill, a taxpayer may claim a credit against the State income tax in an amount equal to 100% of the eligible long-term care premiums paid by the taxpayer during the taxable year for long-term care insurance covering the taxpayer or the taxpayer's spouse, parent, stepparent, child, or stepchild. The credit allowed each insured individual may not exceed the lesser of 20 % of the eligible long-term care premiums paid during the taxable year or \$2000 and cannot be claimed by more than one taxpayer with respect to the same insured individual. The bill takes effect July 1, 2023 and applies to tax years beginning December 31, 2022 and beyond.

A single illness can slam a retiree with exorbitant bills. Nursing home care is among the biggest potential budget busters in retirement. That's why getting insurance to cover a chunk of the costs for in-home care, an assisted living facility or a private room in a nursing home is a personal finance move to consider. Many Long-Term Care Insurance (LTCI) policies cover a range of services in several settings, including homes, adult day service centers, assisted living, and nursing facilities. Many older people who do not have LTCI often look to Medicaid for coverage for nursing home stay—costing the state thousands of dollars. For those who pay for LTCI, an income tax credit should be provided for the purchase of that insurance.



AARP MD thanks the House Ways and Means Committee for allowing us to testify on HB160. We respectfully ask the Committee for a Favorable report. If you have any questions, please feel free to contact Tammy Bresnahan at tbresnahan@aarp.org, or by calling 410-302-8451.