



---

**NATIONAL ACTIVE AND RETIRED FEDERAL EMPLOYEES**  
**MARYLAND FEDERATION**

**GARY ROUNDTREE**  
PRESIDENT

**EDWARD HOLLAND**  
1<sup>st</sup> VICE PRESIDENT  
LEGISLATIVE DIRECTOR

**ED REED**  
2<sup>nd</sup> VICE PRESIDENT  
MEMBERSHIP DIRECTOR

**MELODY KEBE**  
SECRETARY

**VACANT**  
TREASURER

**DR. SUDHA HALEY**  
IMMEDIATE PAST PRESIDENT

**TED JENSEN**  
PAST PRESIDENT

**DAN MCGRATH**  
PAST PRESIDENT

**RON BOWERS**  
PAST PRESIDENT

**Testimony of Paul Schwartz**  
**February 1, 2024**  
**House Ways & Means Committee**  
**HB 218 – Income Tax – Credit for Long-Term Care**  
**Premiums (Long-Term Care Relief Act of 2024)**

I am Paul Schwartz on behalf of the National Active & Retired Federal Employees – NARFE. I testify today in support of HB 218, which establishes a tax credit to help those seniors who purchased long-term care insurance plans before 2005.

Medicaid is more than a quarter of Maryland’s budget  
And nursing homes account for a major portion of  
Medicaid expenditures.

Anything that extends the period of home care and delays entrance into nursing homes saves Maryland money

There really is some truth to the saying: “You have to spend money to make money.”

AND you cannot rely on the fiscal note because the fiscal note does NOT reflect the complete cost associated with the bill

The Office of Legislative Services does not have the capability to calculate cost savings and incorporate that calculation into the fiscal note

They simply check with the Comptroller’s office and take a hard count of lost tax revenue and give you that figure in the fiscal note without factoring in any cost savings by delaying entrance into nursing homes.

It must be remembered that this bill applies to a very limited universe of individuals.

First, the tax credit is not available to taxpayers who are under the age of 85 or who have adjusted gross income of more than \$100,000 for individuals or \$200,000 for joint filers.

Second, it doesn't cover all those who bought the coverage but had to drop it because they couldn't keep up with the high premiums

And lastly, it doesn't cover any of those who bought the coverage but didn't live long enough to use it.

According to Comptroller Brooke Lierman, we are experiencing a decline in revenue due in large part to declining population.

A key element of this is senior migration to tax friendly states.

On behalf of the approximately 300,000 members of NARFE in Maryland as well as all MD seniors let's do a little something to make Maryland a more attractive place in which to retire keeping their sales tax, property tax, fuel tax and so on right here in Maryland and give a favorable report to HB 218

Thank you.