

JACK BAILEY  
Legislative District 29  
Calvert and St. Mary's Counties

Budget & Taxation Committee



THE SENATE OF MARYLAND  
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**Senate Bill 155 – Income Tax - Credit for Long-Term Care Premiums (Long-Term Care Relief Act of 2025)**

Dear Chair Guzzone and Members of the Committee,

I am writing to introduce Senate Bill 155, the Long-Term Care Relief Act of 2025, which makes alterations to the State's existing tax credit for long-term care premiums.

Under current law, a Maryland taxpayer is eligible for a one-time credit, not to exceed \$500, towards eligible long-term care premiums. This legislation is intended to make this program more targeted to provide greater support to those seniors who need it. Senate Bill 155 will increase the maximum value of the credit to the lesser of 15% of the eligible long-term care premiums paid during the taxable year or \$1,500. This legislation will also allow an eligible taxpayer to claim this credit each year, rather than only once.

I would support providing this enhanced credit to all Maryland taxpayers who purchase this long-term care insurance. However, in recognition of the fiscal realities that our State faces, this bill limits eligibility for this enhanced credit to taxpayers aged 85 or older, who purchased their policy on or before December 31, 2004, and who have a Maryland adjusted gross income of less than \$100,000 for individual taxpayers, or less than \$200,000 for joint filers. This narrow criteria for eligibility will ensure that this relief is targeted to those seniors who need it the most.

Marylanders who purchase this insurance help our State by ensuring that they will not ultimately require the support of programs such as Medicaid at a far greater budgetary cost. A one-time tax credit does not seem to be a strong enough incentive to keep a policy that is paid into over many years. We should be encouraging our seniors, particularly those who have continued paying into these policies for decades despite the rising cost of premiums, to retain their coverage. I believe that these alterations to this tax credit will support those Maryland seniors who have chosen to ensure that their long-term care needs are provided for.

I respectfully request a favorable report on Senate Bill 155. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Bailey".

Senator Jack Bailey