MSATP
MARYLAND SOCIETY OF ACCOUNTING AND TAX PROFESSIONALS

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Honorable Members of the Senate Budget and Taxation Committee
Maryland General Assembly
11 Bladen Street
Annapolis, MD 21401

RE: Senate Bill 155 - Income Tax Credit for Long-Term Care Premiums (Long-Term Care Relief Act of 2025)

Dear Chair and Members of the Committee:

The Maryland Society of Accounting and Tax Professionals, Inc. (MSATP) represents the voices of over 2,000 tax and accounting professional members. Our members, who are tax and accounting professionals, serve over 700,000 Maryland residents. We must respectfully oppose Senate Bill 155, despite its well-intentioned goal of supporting elderly Marylanders with long-term care insurance costs.

While we recognize the importance of encouraging long-term care coverage, this legislation raises significant concerns about tax policy equity and administrative complexity. The age requirement of 85 years creates an arbitrary threshold that excludes many seniors who could benefit from assistance with long-term care premiums during their retirement planning years. The proposed increase from $500 to up to $1,500 per insured individual represents a substantial fiscal impact without clear evidence of effectiveness in increasing long-term care coverage rates.

The income limitations, while well-intentioned, may create unintended consequences by discouraging middle-income seniors from maintaining long-term care coverage as they approach the threshold limits. Additionally, the restriction regarding coverage purchased after December 31, 2004, creates unnecessary complexity in verification and documentation requirements for tax preparers and could lead to confusion among taxpayers.

From an administrative perspective, our members anticipate significant challenges in verifying eligibility criteria, particularly regarding the age requirement and insurance purchase dates. The interaction of this enhanced credit with existing federal tax treatment of long-term care premiums adds another layer of complexity to tax preparation and planning.

A more effective approach might include broader reform of long-term care financing or direct premium assistance programs rather than using the tax code to address this important issue. For these reasons, we urge an unfavorable report on Senate Bill 155 and recommend exploring alternative approaches to supporting long-term care coverage for Maryland's seniors.

Respectfully submitted,

Giavante' Hawkins
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