MSATP
MARYLAND SOCIETY OF ACCOUNTING AND TAX PROFESSIONALS

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Honorable Members of the House Ways and Means Committee
Maryland General Assembly
11 Bladen Street
Annapolis, MD 21401

RE: House Bill 327 - 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 are writing today to support House Bill 327with amendments to address the long-term care needs of Maryland residents and its fiscal impact on the Maryland budget.

Our tax professionals regularly witness the financial challenges faced by elderly clients and their families in maintaining long-term care insurance coverage. The current $500 credit limit has become increasingly inadequate as premium costs continue to rise. The proposed increase to either 15% of eligible premiums or $1,500, whichever is less, represents a meaningful start and necessary adjustment to help our senior citizens maintain this vital coverage. However, we do not believe the tax benefit is sufficient to motivate residents to obtain or maintain long-term care insurance. Increasing this tax benefit over a period of time is recommended.

The bill's careful targeting of those 85 and older, combined with reasonable income limitations, enhances the ability of a small group of people to maintain independently purchased long-term care services while maintaining fiscal responsibility. While the average life expectancy being less than 80 years old for Maryland residents, most elderly residents will incur end -of-life care expenses prior to being eligible for this tax benefit. We recommend the qualifying age be reduced to age 65, phased-in from ages 85 to 65 over a period of time.

The ability to purchase coverage for spouses, parents, and children allows families to make comprehensive long-term care planning decisions. This flexibility is particularly important as we see more families taking proactive steps to protect against the substantial costs of long-term care.

Furthermore, the potential savings to Maryland's Medical Assistance Program through increased private long-term care coverage makes this credit a fiscally prudent investment. The annual reporting requirements will provide valuable data to measure the effectiveness of this enhanced credit in promoting long-term care coverage and reducing state healthcare costs.

For these reasons, we strongly urge a favorable report on House Bill 327. This legislation represents a thoughtful approach to addressing the growing challenges of long-term care while providing meaningful tax relief to Maryland's elderly residents and their families.

Respectfully submitted,

Giavante' Hawkins

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