

HOUSE BILL 62

Q3

(PRE-FILED)

2lr0823
CF 2lr0824

By: **Delegate Stewart**

Requested: October 19, 2021

Introduced and read first time: January 12, 2022

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credit for Long-Term Care Premiums**
3 **(Long-Term Care Relief Act of 2022)**

4 FOR the purpose of altering eligibility for and the maximum amount of a credit against the
5 State income tax for certain long-term care insurance premiums paid by a certain
6 taxpayer; and generally relating to an income tax credit for eligible long-term care
7 premiums.

8 BY repealing and reenacting, with amendments,
9 Article – Tax – General
10 Section 10–718
11 Annotated Code of Maryland
12 (2016 Replacement Volume and 2021 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
14 That the Laws of Maryland read as follows:

15 **Article – Tax – General**

16 10–718.

17 (a) **(1)** In this section[, “eligible” **THE FOLLOWING WORDS HAVE THE**
18 **MEANINGS INDICATED.**

19 **(2)** “**ELIGIBLE** long-term care premiums” means eligible
20 long-term care premiums within the meaning of § 213(d)(10) of the Internal Revenue Code
21 for a long-term care insurance contract covering an individual who is a Maryland resident.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(3) "TAXPAYER" MEANS A TAXPAYER WITH MARYLAND ADJUSTED GROSS INCOME OF LESS THAN \$250,000 IN THE TAXABLE YEAR FOR WHICH A CREDIT IS CLAIMED UNDER THIS SECTION.

(b) [An individual] SUBJECT TO THE LIMITATIONS OF THIS SECTION, 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 [individual] TAXPAYER during the taxable year for long-term care insurance covering the [individual] TAXPAYER or the [individual's] TAXPAYER'S spouse, parent, stepparent, child, or stepchild.

(c) The credit allowed under this section:

(1) [may not exceed \$500 for] WITH RESPECT TO each insured INDIVIDUAL covered by long-term care insurance for which the [individual] TAXPAYER pays the premiums, MAY NOT EXCEED THE LESSER OF:

(I) 20% OF THE ELIGIBLE LONG-TERM CARE PREMIUMS PAID DURING THE TAXABLE YEAR; OR

(II) \$2,000;

(2) may not be claimed by more than one taxpayer with respect to the same insured individual; and

(3) may not be claimed with respect to an insured individual if:

(i) the insured individual was covered by long-term care insurance PURCHASED at any time [before July 1, 2000; or

(ii) the credit has been claimed with respect to that insured individual by any taxpayer for any prior taxable year] AFTER DECEMBER 31, 2004.

(d) (1) The total amount of the credit allowed under this section for any taxable year may not exceed the State income tax for that taxable year, calculated before application of the credits under this section and §§ 10-701 and 10-701.1 of this subtitle, but after application of the other credits allowable under this subtitle.

(2) The unused amount of the credit for any taxable year may not be carried over to any other taxable year.

(e) The credit allowed under this section does not affect the treatment under this title of any deduction or exclusion allowed for federal income tax purposes for the eligible long-term care premiums paid by the individual.

1 (f) On or before December 1, 2005 and each December 1 thereafter, the
2 Comptroller shall report to the Governor and, subject to § 2–1257 of the State Government
3 Article, to the General Assembly, regarding the credit allowed under this section, including:

4 (1) the number of individuals who have claimed the credit, the amount
5 allowed as credits, and the additional number of individuals covered by long–term care
6 insurance as a result of the credit; and

7 (2) the savings under the State’s Medical Assistance Program as a result
8 of additional individuals being covered by long–term care insurance as a result of the credit.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021.