

# HOUSE BILL 347

Q3

2lr1070  
CF SB 35

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By: Delegates Hubbard, Aumann, Barkley, Barnes, Bates, Beidle, Bohanan, Boteler, Braveboy, Clagett, Cluster, Costa, DeBoy, Elliott, Fisher, Frush, Gaines, George, Gutierrez, Guzzone, Holmes, Howard, Hucker, Impallaria, Ivey, Kramer, Krebs, Lee, Love, Luedtke, McComas, McConkey, A. Miller, Minnick, Morhaim, Myers, Niemann, O'Donnell, Pena-Melnyk, Proctor, Reznik, S. Robinson, Serafini, Sophocleus, Stocksdale, V. Turner, and Vaughn

Introduced and read first time: January 30, 2012

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credit for Long–Term Care Premiums**

3 FOR the purpose of altering a certain limitation on a certain credit against the State  
4 income tax for certain long–term care insurance premiums paid by a taxpayer;  
5 altering the amount a taxpayer may claim as a credit for certain long–term care  
6 insurance purchased after a certain date; providing for the application of this  
7 Act; and generally relating to a certain income tax credit for eligible long–term  
8 care premiums.

9 BY repealing and reenacting, with amendments,  
10 Article – Tax – General  
11 Section 10–718  
12 Annotated Code of Maryland  
13 (2010 Replacement Volume and 2011 Supplement)

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

16 **Article – Tax – General**

17 10–718.

18 (a) In this section, “eligible long–term care premiums” means eligible  
19 long–term care premiums within the meaning of § 213(d)(10) of the Internal Revenue

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Code for a long-term care insurance contract covering an individual who is a  
2 Maryland resident.

3 (b) [An individual] **A TAXPAYER** may claim a credit against the State  
4 income tax in an amount equal to 100% of the eligible long-term care premiums paid  
5 by the [individual] **TAXPAYER** during the taxable year for long-term care insurance  
6 covering the [individual] **TAXPAYER** or the [individual's] **TAXPAYER'S** spouse, parent,  
7 stepparent, child, or stepchild.

8 (c) The credit allowed under this section:

9 (1) [may not exceed \$500 for] **WITH RESPECT TO** each insured  
10 **INDIVIDUAL** covered by long-term care insurance for which the [individual]  
11 **TAXPAYER** pays the premiums, **MAY NOT EXCEED \$200 IN ANY TAXABLE YEAR;**

12 (2) may not be claimed by more than one taxpayer with respect to the  
13 same insured individual **IN THE SAME TAXABLE YEAR;** and

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

15 (i) the insured individual was covered by long-term care  
16 insurance at any time before [July 1, 2000] **JANUARY 1, 2013;** [or] **AND**

17 (ii) the credit has been claimed with respect to that insured  
18 individual by any taxpayer for any [prior] taxable year **BEGINNING BEFORE**  
19 **JANUARY 1, 2013.**

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

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

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

29 (f) On or before December 1, 2005 and each December 1 thereafter, the  
30 Comptroller shall report to the Governor and, subject to § 2-1246 of the State  
31 Government Article, to the General Assembly, regarding the credit allowed under this  
32 section, including:

1                   (1)     the number of individuals who have claimed the credit, the amount  
2 allowed as credits, and the additional number of individuals covered by long-term care  
3 insurance as a result of the credit; and

4                   (2)     the savings under the State's Medical Assistance Program as a  
5 result of additional individuals being covered by long-term care insurance as a result  
6 of the credit.

7                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
8 July 1, 2012, and shall be applicable to all taxable years beginning after December 31,  
9 2012.