

CHAPTER 242

(Senate Bill 171)

AN ACT concerning

Income Tax - Credit for Long-Term Care Insurance Premiums

FOR the purpose of allowing an individual a credit against the State income tax for certain long-term care insurance premiums paid by the individual; defining a certain term; requiring the Comptroller to report to the Governor and the General Assembly regarding the credit on or before certain dates; providing for the application of this Act; and generally relating to a credit against the State income tax for certain long-term care insurance premiums.

BY adding to

Article - Tax - General

Section 10-718

Annotated Code of Maryland

(1997 Replacement Volume and 1999 Supplement)

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

Article - Tax - General

10-718.

(A) IN THIS SECTION, "ELIGIBLE LONG-TERM CARE PREMIUMS" MEANS ELIGIBLE LONG-TERM CARE PREMIUMS WITHIN THE MEANING OF § 213(D)(10) OF THE INTERNAL REVENUE CODE FOR A LONG-TERM CARE INSURANCE CONTRACT COVERING AN INDIVIDUAL WHO IS A MARYLAND RESIDENT.

(B) AN INDIVIDUAL 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 DURING THE TAXABLE YEAR FOR LONG-TERM CARE INSURANCE COVERING THE INDIVIDUAL OR THE INDIVIDUAL'S SPOUSE, PARENT, STEPPARENT, CHILD, OR STEPCHILD.

(C) THE CREDIT ALLOWED UNDER THIS SECTION:

(1) MAY NOT EXCEED \$500 FOR EACH INSURED COVERED BY LONG-TERM CARE INSURANCE FOR WHICH THE INDIVIDUAL PAYS THE PREMIUMS;

(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:

(1) THE INSURED INDIVIDUAL WAS COVERED BY LONG-TERM CARE INSURANCE AT ANY TIME BEFORE JULY 1, 2000; OR