

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2001.

Approved May 15, 2001.

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**CHAPTER 459**

**(House Bill 280)**

AN ACT concerning

**Credit for Long-Term Care Insurance Premiums**

FOR the purpose of clarifying that the amount of a certain credit allowed against the State income tax for certain long-term care insurance premiums for any taxable year may not exceed the State income tax for that taxable year and that any unused credit for a taxable year may not be carried over to any other taxable year; providing for the application of this Act; and generally relating to a certain credit allowed against the State income tax for certain long-term care insurance premiums.

BY repealing and reenacting, with amendments,

Article - Tax - General

Section 10-718

Annotated Code of Maryland

(1997 Replacement Volume and 2000 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;