

**Senate Bill No. 148**

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;

(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 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.