

Article - Tax - General

Section 8-218, 8-415, and 10-709

Annotated Code of Maryland

(1997 Replacement Volume)

BY adding to

Article - Insurance

Section 6-117

Annotated Code of Maryland

(1997 Volume)

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

Article - Tax - General

8-218.

A FINANCIAL INSTITUTION MAY CLAIM A CREDIT AGAINST THE FINANCIAL INSTITUTION FRANCHISE TAX FOR EMPLOYER-PROVIDED LONG-TERM CARE INSURANCE AS PROVIDED UNDER § 10-709 OF THIS ARTICLE.

8-415.

A PUBLIC SERVICE COMPANY MAY CLAIM A CREDIT AGAINST THE PUBLIC SERVICE COMPANY FRANCHISE TAX FOR EMPLOYER-PROVIDED LONG-TERM CARE INSURANCE AS PROVIDED UNDER § 10-709 OF THIS ARTICLE.

10-709.

(A) IN THIS SECTION, "LONG-TERM CARE INSURANCE" HAS THE MEANING STATED IN § 18-101 OF THE INSURANCE ARTICLE.

(B) (1) SUBJECT TO THE LIMITATION UNDER PARAGRAPH (2) OF THIS SUBSECTION, AN EMPLOYER MAY CLAIM A TAX CREDIT IN AN AMOUNT EQUAL TO 5% OF THE COSTS INCURRED BY THE EMPLOYER DURING THE TAXABLE YEAR TO PROVIDE LONG-TERM CARE INSURANCE AS PART OF AN EMPLOYEE BENEFIT PACKAGE.

(2) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE LESSER OF:

(I) \$5,000; OR

(II) \$100 FOR EACH EMPLOYEE COVERED BY LONG-TERM CARE INSURANCE PROVIDED UNDER THE EMPLOYEE BENEFIT PACKAGE.

(C) (1) AN INDIVIDUAL OR CORPORATION MAY APPLY THE CREDIT UNDER SUBSECTION (B) OF THIS SECTION AGAINST THE STATE INCOME TAX.

(2) AN ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE MAY APPLY THE CREDIT UNDER