

HOUSE BILL 1300

Q3
HB 822/15 – W&M

6lr2609
CF SB 896

By: **Delegates C. Howard, Aumann, Beidle, Fennell, Gilchrist, McConkey, O'Donnell, Pendergrass, S. Robinson, Rose, and Shoemaker**

Introduced and read first time: February 12, 2016

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 16, 2016

CHAPTER _____

1 AN ACT concerning

2 ~~Income Tax Credit for~~ Task Force to Study Long-Term Care Insurance
3 Premiums

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

9 FOR the purpose of establishing the Task Force to Study Long-Term Care Insurance
10 Premiums; providing for the composition, chair, and staffing of the Task Force;
11 prohibiting a member of the Task Force from receiving certain compensation, but
12 authorizing the reimbursement of certain expenses; requiring the Task Force to
13 study and make recommendations regarding certain matters; requiring the Task
14 Force to report its findings and recommendations to the Governor and the General
15 Assembly on or before a certain date; providing for the termination of this Act; and
16 generally relating to the Task Force to Study Long-Term Care Insurance Premiums.

17 ~~BY repealing and reenacting, with amendments,~~
18 ~~Article Tax General~~
19 ~~Section 10-718~~
20 ~~Annotated Code of Maryland~~
21 ~~(2010 Replacement Volume and 2015 Supplement)~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 (a) There is a Task Force to Study Long-Term Care Insurance Premiums.

4 (b) The Task Force consists of the following members:

5 (1) one member of the Senate of Maryland, appointed by the President of
6 the Senate;

7 (2) one member of the House of Delegates, appointed by the Speaker of the
8 House;

9 (3) the Secretary of Aging, or the Secretary's designee;

10 (4) the Secretary of Health and Mental Hygiene, or the Secretary's
11 designee;

12 (5) the Maryland Insurance Commissioner, or the Commissioner's
13 designee; and

14 (6) the following members, appointed by the Governor:

15 (i) one representative of the National Active and Retired Federal
16 Employees Association; and

17 (ii) one representative of the Maryland and District of Columbia
18 Alliance for Retired Americans.

19 (c) The Governor shall designate the chair of the Task Force.

20 (d) The Department of Aging shall provide staff for the Task Force.

21 (e) A member of the Task Force:

22 (1) may not receive compensation as a member of the Task Force; but

23 (2) is entitled to reimbursement for expenses under the Standard State
24 Travel Regulations, as provided in the State budget.

25 (f) The Task Force shall:

26 (1) (i) study long-term care insurance enrollment in the State;

27 (ii) consider any reductions in State costs associated with the
28 purchase of long-term care insurance; and

1 (iii) consider the effect of a State income tax credit on long-term care
 2 premiums to increase enrollment; and

3 (2) make recommendations regarding methods to increase enrollment in
 4 long-term care insurance.

5 (g) On or before December 31, 2016, the Task Force shall report its findings and
 6 recommendations, including any recommended legislation to address the findings of the
 7 Task Force, to the Governor and, in accordance with § 2-1246 of the State Government
 8 Article, the General Assembly.

9 ~~Article – Tax – General~~

10 ~~10-718.~~

11 (a) ~~In this section, “eligible long term care premiums” means eligible~~
 12 ~~long term care premiums within the meaning of § 213(d)(10) of the Internal Revenue Code~~
 13 ~~for a long term care insurance contract covering an individual who is a Maryland resident.~~

14 (b) ~~[An individual] A TAXPAYER may claim a credit against the State income tax~~
 15 ~~in an amount equal to 100% of the eligible long term care premiums paid by the~~
 16 ~~[individual] TAXPAYER during the taxable year for long term care insurance covering the~~
 17 ~~[individual] TAXPAYER or the [individual’s] TAXPAYER’S spouse, parent, stepparent,~~
 18 ~~child, or stepchild.~~

19 (c) ~~The credit allowed under this section:~~

20 (1) ~~[may not exceed \$500 for] WITH RESPECT TO each insured~~
 21 ~~INDIVIDUAL covered by long term care insurance for which the [individual] TAXPAYER~~
 22 ~~pays the premiums, MAY NOT EXCEED:~~

23 (i) ~~\$250 FOR TAXABLE YEARS BEGINNING JANUARY 1, 2017,~~
 24 ~~AND JANUARY 1, 2018; AND~~

25 (ii) ~~\$500 FOR THE TAXABLE YEAR BEGINNING JANUARY 1, 2019,~~
 26 ~~AND EACH TAXABLE YEAR THEREAFTER;~~

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

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

30 (i) ~~the insured individual was covered by long term care insurance~~
 31 ~~at any time before [July 1, 2000] JANUARY 1, 2017; [or] AND~~

1 (ii) ~~the credit has been claimed with respect to that insured~~
 2 ~~individual by any taxpayer for any [prior] taxable year BEGINNING BEFORE JANUARY 1,~~
 3 ~~2017.~~

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

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

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

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

16 (1) ~~the number of individuals who have claimed the credit, the amount~~
 17 ~~allowed as credits, and the additional number of individuals covered by long term care~~
 18 ~~insurance as a result of the credit; and~~

19 (2) ~~the savings under the State's Medical Assistance Program as a result~~
 20 ~~of additional individuals being covered by long term care insurance as a result of the credit.~~

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July~~
 22 ~~June 1, 2016, and shall be applicable to all taxable years beginning after December 31,~~
 23 ~~2016. It shall remain effective for a period of 1 year and 1 month and, at the end of June~~
 24 ~~30, 2017, with no further action required by the General Assembly, this Act shall be~~
 25 ~~abrogated and of no further force and effect.~~

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.