COMPTROLLER of MARYLAND
SERVING THE PEOPLE

**Brooke E. Lierman**
*Comptroller*

**Robert J. Rehrmann**
*Director*
*Bureau of Revenue Estimates*

October 23, 2026

The Honorable Wes Moore

Governor

100 State Circle

Annapolis, MD 21401

The Honorable Bill Ferguson

President of the Senate

H-107 State House

Annapolis, MD 21401

The Honorable Joseline A. Peña-Melnyk

Speaker of the House

H-101 State House

Annapolis, MD 21401

Dear Governor, President, and Speaker:

Tax-General Article § 10-718 requires the Comptroller's Office to report certain information about the income tax credit for long-term care insurance premiums paid by qualifying individuals. Specifically, the law requires that we report.

1. The number of individuals who have claimed the credit, the amount allowed as credits, and the additional number of individuals covered by long-term care insurance as a result of the credit; and
2. The savings under the State's medical assistance program as a result of additional individuals being covered by long-term care insurance as a result of the credit.

This report provides data from the returns of tax filers who claimed the Maryland long-term care insurance tax credit for tax year 2024. A total of $1.7 million was claimed for 3,749 covered individuals on the returns of 3,199 filers. This report was prepared by Lutfi Nimer.

Sincerely,

Robert J. Rehrmann

## EFFECT OF MARYLAND'S CREDIT FOR LONG-TERM CARE INSURANCE PREMIUMS

Chapter 242 of 2000 created a credit against the personal income tax for long-term care insurance premiums. In addition, the Act mandated that the Comptroller report annually to the Governor and General Assembly the following information:

1. The number of individuals who have claimed the credit, the amount allowed as credits, and the additional number of individuals covered by long-term care insurance as a result of the credit; and
2. The savings under the State's medical assistance program as a result of additional individuals being covered by long-term care insurance as a result of the credit.

A maximum credit of $500 is allowed for the eligible long-term care insurance premiums – as defined under § 213(d)(10) of the Internal Revenue Code – paid on behalf of each covered individual during the tax year. Under this section, premiums are limited to certain amounts based on the age of the insured and are adjusted annually for inflation based on the medical care cost component of the Consumer Price Index. In calendar year 2024, the maximum credit is limited to $470 for those age 40 years or under and $500 for all other individuals. The credit may not be claimed under certain circumstances and may only be claimed on behalf of an individual who is a resident. The credit is available for the insured individual or the individual's spouse, parent or stepparent, child, or stepchild.

Table 1 shows the credits claimed in tax year 2024.

Table 1

Tax Credit Claims

| Tax Data | Total |
|---|---|
| Returns | 3,199 |
| Number of Insured | 3,749 |
| Total Credits | $1,693,396 |

Table 2 shows the distribution of the credits claimed by federal adjusted gross income.

Table 2

Credits Claimed by Federal Adjusted Gross Income

| Federal Adjusted Gross Income | Credit Dollars | Share of Credit Dollars | Credits Claimed | Share of Credits Claimed |
|---|---|---|---|---|
| Less than $50,001 | 299,232 | 17.7% | 746 | 19.9% |
| $50,001 – $100,000 | 404,387 | 23.9% | 919 | 24.5% |
| $100,001 – $250,000 | 668,973 | 39.5% | 1,421 | 37.9% |
| $250,001 – $500,000 | 262,834 | 15.5% | 547 | 14.6% |
| Greater than $500,000 | 57,970 | 3.4% | 116 | 3.1% |
| **Total** | **1,693,396** | **100%** | **3,749** | **100%** |

*Note Table 2: Numbers may not sum to total due to rounding.*

Table 3 shows the number of credits claimed for the maximum allowable amounts. A total of 2,411 credits claimed the maximum $500 credit. Overall, 84.1% of the credits were for either of the maximum amounts.

Table 3

Credits Claimed by Maximum Credit Amount

| Age of Insured | Number of Credits Claimed |
|---|---|
| 40 and Under | 741 |
| All Other Individuals | 2,411 |
| **Total** | **3,152** |

Table 4 shows the number of credits claimed based on the age of the insured person for whom the credit was claimed. As would be expected, most credits are claimed for those over 50 years of age.

Table 4

Credits Claimed by Age Insured Person

| Age | Returns | Percentage of Returns |
|---|---|---|
| Unclassified | 0 | 0.0% |
| 40 and Under | 1,018 | 27.2% |
| 41 to 50 | 532 | 14.2% |
| 51 to 64 | 1,015 | 27.1% |
| 65 and Over | 1,183 | 31.6% |
| **Total Credits** | **3,749** | **100%** |

*Note Table 4: Due to how 502CR form records are recorded the age of the 5th claimant on a given tax return is not recorded.*

Finally, Table 5 shows the distribution of the number of credits claimed per return.

Table 5

Number of Credits Claimed per Return

| Credits | Returns | Percentage of Returns |
|---|---|---|
| One Credit | 2,690 | 84.1% |
| Two Credits | 479 | 15.0% |
| Three Credits | 19 | 0.6% |
| Four or More Credits | 11 | 0.3% |
| **Total Returns** | **3,199** | **100%** |

Due to several factors including a lack of data the Comptroller's Office has no information as to "the savings under the State's medical assistance program as a result of additional individuals being covered by long-term care insurance as a result of the credit." To the best of our knowledge, the necessary information does not reside in any State agency.

It is important to note that when comparing data across long-term care reports the number of claimants and credits claimed may change due to additional tax returns filed after the report was issued as well as adjustments to returns made by the Comptroller's Office.