

1 STATE OF OKLAHOMA

2 1st Extraordinary Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 1029

By: Wallace and Martinez of the
House

6 and

7 Thompson (Roger) and Hall
8 of the Senate

9
10 COMMITTEE SUBSTITUTE

11 An Act relating to revenue and taxation; creating the
12 Caring for Caregivers Act; defining terms; creating
13 family caregiver tax credit; providing for maximum
14 allowable credit; providing for multiple caregivers;
15 providing for application of credit; creating annual
16 credit caps; authorizing Oklahoma Tax Commission to
17 promulgate rules; providing for noncodification;
18 providing for codification; and providing an
19 effective date.

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22 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

23 SECTION 1. NEW LAW A new section of law not to be
24 codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "Caring for
Caregivers Act".

1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2357.801 of Title 68, unless
3 there is created a duplication in numbering, reads as follows:

4 A. As used in this section:

5 1. "Activities of daily living (ADL)" shall include:

- 6 a. ambulating, which is the extent of an individual's
7 ability to move from one position to another and walk
8 independently,
- 9 b. feeding, which is the ability of an individual to feed
10 oneself,
- 11 c. dressing, which is the ability to select appropriate
12 clothes and to put the clothes on without aid,
- 13 d. personal hygiene, which is the ability to bathe and
14 groom oneself and maintain dental hygiene and nail and
15 hair care,
- 16 e. continence, which is the ability to control bladder
17 and bowel function, and
- 18 f. toileting, which is the ability to get to and from the
19 toilet without aid, using it appropriately, and
20 cleaning oneself;

21 2. "Eligible expenditure" shall include:

- 22 a. the improvement or alteration to the family
23 caregiver's or eligible family member's primary
24 residence to permit the eligible family member to live

1 in the residence and to remain mobile, safe, and
2 independent,

3 b. the family caregiver's purchase or lease of equipment,
4 including but not limited to durable medical
5 equipment, that is necessary to assist an eligible
6 family member in carrying out one or more activities
7 of daily living (ADL), and

8 c. other paid or incurred expenses by the family
9 caregiver that assist the family caregiver in
10 providing care to an eligible family member, such as
11 expenditures related to:

- 12 (1) hiring a home care aide,
- 13 (2) respite care,
- 14 (3) adult day care,
- 15 (4) personal care attendants,
- 16 (5) health care equipment, and
- 17 (6) technology.

18 The eligible expenditure must be directly related to assisting the
19 family caregiver in providing care to an eligible family member.

20 Eligible expenditure shall not include the carrying out of general
21 household maintenance activities such as painting, plumbing,
22 electrical repairs, or exterior maintenance;

23 3. "Eligible family member" shall mean an individual who:

24 a. is sixty-two (62) years of age or older,

1 b. requires assistance with at least two activities of
2 daily living (ADL) as certified by a licensed health
3 care provider, as defined in paragraph 1 of Section
4 3090.2 of Title 63 of the Oklahoma Statutes,

5 c. qualifies as a dependent, spouse, parent, or other
6 relation by blood or marriage to the family caregiver,
7 and

8 d. lives in a private residential home and not in an
9 assisted living center, nursing facility, or
10 residential care home; and

11 4. "Family caregiver" shall mean an individual:

12 a. providing care and support for an eligible family
13 member,

14 b. who has a federal adjusted gross income of less than
15 Fifty Thousand Dollars (\$50,000.00) for an individual
16 and less than One Hundred Thousand Dollars
17 (\$100,000.00) for a couple filing jointly, and

18 c. who has personally incurred uncompensated expenses
19 directly related to the care of an eligible family
20 member.

21 B. For taxable years beginning after December 31, 2023, there
22 shall be allowed a credit against the tax imposed pursuant to
23 Section 2355 of Title 68 of the Oklahoma Statutes in the amount of
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1 fifty percent (50%) for eligible expenditures incurred by a family
2 caregiver for the care and support of an eligible family member.

3 C. The maximum allowable credit authorized by this section
4 shall be Two Thousand Dollars (\$2,000.00) unless the eligible family
5 member is a veteran or has a diagnosis of dementia in which case the
6 maximum allowable credit shall be Three Thousand Dollars
7 (\$3,000.00). If two or more family caregivers claim the tax credit
8 authorized by this section for the same eligible family member, the
9 maximum allowable credit shall be allocated in equal amounts between
10 each of the family caregivers.

11 D. The credit authorized by this section may not be used to
12 reduce the tax liability of the taxpayer to less than zero (0). The
13 credit shall not be carried over.

14 E. The total credits authorized pursuant to this section for
15 all taxpayers shall not exceed One Million Five Hundred Thousand
16 Dollars (\$1,500,000.00) annually. In the event the total tax
17 credits authorized by this section exceed One Million Five Hundred
18 Thousand Dollars (\$1,500,000.00) annually in any calendar year, the
19 Oklahoma Tax Commission shall permit any excess over One Million
20 Five Hundred Thousand Dollars (\$1,500,000.00) annually, but shall
21 factor such excess into the percentage adjustment formula for
22 subsequent years. The Oklahoma Tax Commission shall annually
23 calculate and publish by the first day of the affected year a
24 percentage by which the credits authorized by this section shall be

1 reduced so the total amount of credits used to offset tax does not
2 exceed One Million Five Hundred Thousand Dollars (\$1,500,000.00)
3 annually per year. The formula to be used for the percentage
4 adjustment shall be One Million Five Hundred Thousand Dollars
5 (\$1,500,000.00) annually divided by the credits claimed in the
6 second preceding year.

7 F. The Oklahoma Tax Commission shall promulgate rules necessary
8 to implement and administer the credit authorized by this section.

9 SECTION 3. This act shall become effective January 1, 2024.

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