

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                         STATE OF OKLAHOMA

3                   1st Extraordinary Session of the 59th Legislature (2023)

4     COMMITTEE SUBSTITUTE  
5     FOR  
6     HOUSE BILL NO. 1029

By: Wallace and Martinez of the  
House

and

Thompson (Roger) and Hall  
of the Senate

11                                         COMMITTEE SUBSTITUTE

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

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

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

24                   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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11 COMMITTEE REPORT BY: COMMITTEE ON JOINT COMMITTEE ON APPROPRIATIONS  
12 AND BUDGET, dated 05/23/2023 - DO PASS, As Amended.

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