

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

SENATE BILL 577

By: Montgomery

AS INTRODUCED

An Act relating to income tax credit; creating the Caring for Caregivers Act; providing short title; defining terms; authorizing tax credit for certain care and support expenditures; limiting credit; providing for allocation of credit for multiple claimants; providing for application of credit; limiting annual credit authorization; requiring Oklahoma Tax Commission to publish percentage adjustment; authorizing Oklahoma Tax Commission to promulgate rules; providing for noncodification; providing for codification; and providing an effective date.

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

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

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

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2358.8 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

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

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

16 2. "Eligible expenditure" shall include:

- 17 a. the improvement or alteration to the family
18 caregiver's primary residence, if the eligible family
19 member resides in the family caregiver's residence, or
20 eligible family member's primary residence to permit
21 the eligible family member to live in the family
22 caregiver's or the eligible family member's residence
23 and to remain mobile, safe, and independent,
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- 1 b. the family caregiver's purchase or lease of equipment,
2 including but not limited to durable medical
3 equipment, that is necessary to assist an eligible
4 family member in carrying out one or more activities
5 of daily living (ADL), and
- 6 c. other paid or incurred expenses by the family
7 caregiver that assist the family caregiver in
8 providing care to an eligible family member, such as
9 expenditures related to:
- 10 (1) hiring a home care aide,
11 (2) respite care,
12 (3) adult day care,
13 (4) personal care attendants,
14 (5) health care equipment, and
15 (6) technology.

16 The eligible expenditure must be directly related to assisting
17 the family caregiver in providing care to an eligible family member.
18 Eligible expenditure shall not include the carrying out of general
19 household maintenance activities, including but not limited to
20 painting, plumbing, electrical repairs, or exterior maintenance;

21 3. "Eligible family member" means an individual who:

- 22 a. is sixty-two (62) years of age or older,
23 b. requires assistance with at least two activities of
24 daily living (ADL) as certified by a licensed health
25

1 care provider, as defined in paragraph 1 of Section
2 3090.2 of Title 63 of the Oklahoma Statutes,

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

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

9 4. "Family caregiver" means an individual:

10 a. providing care and support for an eligible family
11 member,

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

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

19 B. For tax year 2024 and subsequent tax years, there shall be
20 allowed a credit against the tax imposed pursuant to Section 2355 of
21 Title 68 of the Oklahoma Statutes in the amount of fifty percent
22 (50%) of eligible expenditures incurred by a family caregiver for
23 the care and support of an eligible family member.

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

9 D. The credit authorized by this section shall not be used to
10 reduce the tax liability of the taxpayer to less than zero (0). The
11 credit shall not be carried forward to subsequent tax years.

12 E. For tax year 2026 and subsequent tax years, the total
13 credits authorized pursuant to this section for all taxpayers shall
14 not exceed One Million Five Hundred Thousand Dollars (\$1,500,000.00)
15 annually. In the event the total tax credits authorized by this
16 section exceed One Million Five Hundred Thousand Dollars
17 (\$1,500,000.00) annually in any calendar year, the Tax Commission
18 shall permit any excess over One Million Five Hundred Thousand
19 Dollars (\$1,500,000.00) annually but shall factor such excess into
20 the percentage adjustment formula for subsequent years. The Tax
21 Commission shall annually calculate and publish by the first day of
22 the affected year a percentage by which the credits authorized by
23 this section shall be reduced so the total amount of credits used to
24 offset tax does not exceed One Million Five Hundred Thousand Dollars

1 (\$1,500,000.00) annually per year. The formula to be used for the
2 percentage adjustment shall be One Million Five Hundred Thousand
3 Dollars (\$1,500,000.00) annually divided by the credits claimed in
4 the second preceding year.

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

7 SECTION 3. This act shall become effective November 1, 2023.

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