

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	HB1029X
Version:	CS
Request Number:	50119
Author:	Rep. Wallace/Rep. Martinez
Date:	5/24/2023
Impact:	OTC Analysis: Unknown Revenue Decrease

Research Analysis

The committee substitute for HB1029X creates an income tax credit for 50 percent of eligible expenditures incurred by a family caregiver for the support of an eligible family member ages 62 or older. The tax credit may be claimed beginning tax year 2024 and is subject to a \$1.5 million annual cap. Taxpayers are limited to a \$2000 credit per family member, or \$3000 if the family member is a veteran or is diagnosed with dementia. The family caregiver must have a federal adjusted gross income below \$50,000 for single filers or \$100,000 for joint filers.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB1029X proposes to enact the Caring for Caregivers Act, and creates an income tax credit for 50% of eligible expenditures incurred by a family caregiver for the support of an eligible family member. The total amount of annual credits are limited to \$1.5 million.

The Oklahoma Tax Commission provides the following information regarding the impact of the bill.

Data published by the Chronic Conditions Data Warehouse further indicates approximately 57.2 million persons age 65 and over were enrolled in Medicare in the United States during 2020.⁴ This information and the percentages of Medicare beneficiaries age 65 and older who were reported by FIFARS as having limitations in activities of ADLs during 2015 were used to estimate the following:

Estimated Number of OK Medicare Enrollees with Limitations Performing 1 or More ADLs		
	<i>Rate</i>	<i># of Persons</i>
2020 Medicare Enrollees, Age 65 and Over		57,200,000
Limitations Performing 1-2 ADLs	16.3%	9,323,600
Limitations Performing 3-4 ADLs	4.9%	2,802,800
Limitations Performing 5-6 ADLs	2.9%	1,658,800
Est. Medicare Enrollees with Limitations Performing 1 or More ADLs		13,785,200
Est. OK Medicare Enrollees with Limitations Performing 1 or More ADLs	1.16%	159,908

If a \$2,000 credit was claimed for 50% of the estimated Oklahoma Medicare enrollees with limitations performing one or more ADLs, the resulting decrease in income tax revenue would be approximately \$160 million. The actual number of persons requiring assistance with at least two ADLs and who meet all the criteria to be considered eligible family members for the proposed credit is unknown.

Due to a scarcity of data, the actual number of persons who may be considered eligible family members and eligible caregivers for the proposed credit and the related eligible expenditure amounts are unknown. As a result, the expected revenue impact of this proposal is an unknown decrease in income tax

collections.

The committee substitute does not change the fiscal impact of the bill.

Prepared By: Zachary Penrod, House Fiscal Staff

Other Considerations

None.

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