

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

HOUSE BILL 1815

By: Representative K. Ferguson

For An Act To Be Entitled

AN ACT TO CREATE AN INCOME TAX CREDIT FOR FAMILY
CAREGIVERS; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE AN INCOME TAX CREDIT FOR FAMILY
CAREGIVERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5, is amended to add an additional section to read as follows:

26-51-517. Family caregiver expenses.

(a) As used in this section:

(1) "Activity of daily living" means without limitation:

(A) Ambulating;

(B) Transferring;

(C) Eating;

(D) Bathing;

(E) Dressing;

(F) Grooming; and

(G) Toileting;

(2)(A) "Eligible expenses" means expenses incurred by a family caregiver that are directly related to assisting the family caregiver in providing care to an eligible family member.

(B) "Eligible expenses" includes without limitation:

(i) The improvement or alteration to a family caregiver's primary residence to permit an eligible family member to remain



mobile, safe, and independent;

(ii) The purchase or lease of equipment that is necessary to assist an eligible family member in carrying out one (1) or more activities of daily living; and

(iii) Other goods, services, or supports that assist a family caregiver in providing care to an eligible family member, including without limitation expenditures related to hiring a home care aide or personal care attendant, providing respite care, attending adult day care, providing transportation, obtaining legal and financial services, and obtaining assistive technology.

(C) "Eligible expenses" does not include expenses incurred in carrying out general household maintenance activities, including without limitation painting, plumbing, electrical repairs, and exterior maintenance;

(3) "Eligible family member" means an individual who:

(A) Is at least eighteen (18) years of age during the tax year;

(B) Requires assistance with at least one (1) activity of daily living, as certified by a healthcare practitioner licensed under § 17-95-401 et seq.; and

(C) Is a dependent, spouse, parent, or other relation by blood or marriage, including without limitation an in-law, grandparent, grandchild, stepparent, aunt, uncle, niece, or nephew, of a family caregiver during the tax year; and

(4) "Family caregiver" means an individual who:

(A) Is a resident taxpayer under this chapter for the tax year, including in the case of taxpayers filing a joint return, both the individual and the individual's spouse;

(B) Has an adjusted gross income of less than seventy-five thousand dollars (\$75,000) for an individual and one hundred fifty thousand dollars (\$150,000) for a married couple;

(C) Provides care to one (1) or more eligible family members during the tax year; and

(D) Incurs uncompensated expenses directly related to the care of an eligible family member.

(b)(1) There is allowed an income tax credit against the income tax imposed by this chapter in the amount equal to the lesser of fifty percent

(50%) of a taxpayer's eligible expenses during the tax year or one thousand dollars (\$1,000).

(2) If two (2) or more taxpayers claim the income tax credit allowed under this section for the same eligible family member, the total amount of the income tax credit allowed under this section shall be allocated in equal amounts among the taxpayers.

(c) The amount of the income tax credit under this section that may be claimed by the taxpayer in a tax year shall not exceed the amount of income tax due by the taxpayer.

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax years beginning on or after January 1, 2024.