

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 1076

By: Representative Hudson

For An Act To Be Entitled

AN ACT TO AMEND THE INCOME TAX LAWS; TO CREATE THE CARING FOR CAREGIVERS ACT; TO PROVIDE AN INCOME TAX CREDIT FOR EXPENSES INCURRED IN CARING FOR CERTAIN FAMILY MEMBERS; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE CARING FOR CAREGIVERS ACT;
AND TO PROVIDE AN INCOME TAX CREDIT FOR
EXPENSES INCURRED IN CARING FOR CERTAIN
FAMILY MEMBERS.

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

SECTION 1. DO NOT CODIFY. Title.

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

SECTION 2. Arkansas Code Title 26, Chapter 51, Subchapter 5, is amended to add an additional section to read as follows:

26-51-518. Caring for caregivers credit.

(a) As used in this section:

(1) "Activities of daily living" means:

(A) Ambulating, which is the extent of an individual's ability to move from one (1) position to another and walk independently;

(B) Feeding, which is the ability of an individual to feed himself or herself;

(C) Dressing, which is the ability of an individual to



select appropriate clothes and put the clothes on without aid;

(D) Personal hygiene, which is the ability of an individual to bathe and groom himself or herself and maintain dental hygiene and nail and hair care;

(E) Continence, which is the ability of an individual to control bladder and bowel function; and

(F) Toileting, which is the ability of an individual to get to and from the toilet without aid, use the toilet appropriately, and clean himself or herself;

(2)(A) "Eligible expenditure" means an expense directly related to assisting a family caregiver in providing care to an eligible family member.

(B) "Eligible expenditure" includes without limitation:

(i) An improvement or alteration to the primary residence of a family caregiver or an eligible family member to permit the eligible family member to live in the residence and to remain mobile, safe, and independent;

(ii) The purchase or lease by a family caregiver of equipment, including without limitation durable medical equipment, that is necessary to assist an eligible family member in carrying out one (1) or more activities of daily living; and

(iii) Other expenses paid or incurred by a family caregiver that assist the family caregiver in providing care to an eligible family member, including without limitation expenses related to:

- (a) Home care aides;
- (b) Respite care;
- (c) Adult day care;
- (d) Personal care attendants;
- (e) Healthcare equipment; and
- (f) Technology.

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

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

(A) Is at least sixty-two (62) years of age;

(B) Requires assistance with at least two (2) activities of daily living, as certified by a licensed healthcare practitioner licensed under § 17-95-401 et seq.;

(C) Qualifies as a dependent, spouse, parent, or other relation by blood or marriage to the family caregiver; and

(D) Lives in a private residential home and not in an assisted living center, nursing facility, or residential care home;

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

(A) Provides care and support for an eligible family member;

(B) Has a total adjusted gross income of less than fifty thousand dollars (\$50,000), including the adjusted gross income of his or her spouse, if any; and

(C) Has personally incurred uncompensated expenses directly related to the care of an eligible family member; and

(5) "Veteran" means a person who served in the active military, naval, air, or space service and who was discharged or released from service under conditions other than dishonorable.

(b)(1) Subject to the limitations provided in this section, there is allowed an income tax credit against the income tax imposed by this chapter in an amount equal to fifty percent (50%) of the eligible expenditures incurred by a family caregiver for the care and support of an eligible family member.

(2) The maximum tax credit that may be claimed by a taxpayer in a tax year under this section is:

(A) Two thousand dollars (\$2,000); or

(B) Three thousand dollars (\$3,000), if the eligible family member for whom the family caregiver has incurred eligible expenditures is a veteran or has a diagnosis of dementia.

(3) 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.

(4)(A) The total amount of the income tax credits allowed under this section shall not exceed one million five hundred thousand dollars (\$1,500,000) in a calendar year.

(B) The income tax credit allowed under this section shall be awarded in the order in which the income tax credit is claimed, up to the maximum amount stated in subdivision (b)(4)(A) of this section.

(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 3. EFFECTIVE DATE. Section 2 of this act is effective for tax years beginning on or after January 1, 2025.