

HOUSE BILL No. 1230

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-34.

Synopsis: Tax credits for family caregivers. Provides a tax credit for certain expenses incurred by a taxpayer to: (1) make an improvement or alteration to the taxpayer's residence; or (2) purchase or lease equipment; that is necessary to assist an eligible family member (an elderly lineal ancestor) in carrying out one or more activities of daily living. Provides that the taxpayer claiming the credit must have a federal adjusted gross income of less than \$40,000 and that the eligible family member must: (1) have the same principal place of abode as the taxpayer; (2) have federal adjusted gross income of less than \$30,000; and (3) not be receiving long term care services under certain programs. Specifies that the amount of the credit is equal to 50% of the eligible expenses incurred by the taxpayer during the taxable year. Provides that the maximum credit amount is \$500. Specifies that a taxpayer is not entitled to a refund, carryback, or carryforward of any credit.

Effective: January 1, 2015.

Negele, Clere

January 14, 2014, read first time and referred to Committee on Ways and Means.



Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1230

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-34 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2015]:

4 **Chapter 34. Tax Credit for Improvements or Alterations Made**
5 **or Equipment Provided for an Elderly Family Member**

6 **Sec. 1. As used in this chapter, "activities of daily living" has the**
7 **meaning set forth in IC 12-10-10-1.5.**

8 **Sec. 2. As used in this chapter, "eligible family member" means**
9 **an individual who:**

10 (1) **is at least sixty-five (65) years of age during a taxable year;**

11 (2) **is a lineal ancestor of a taxpayer;**

12 (3) **has the same principal place of abode as the taxpayer**
13 **referred to in subdivision (2) for more than fifty percent**
14 **(50%) of the taxable year;**

15 (4) **has federal adjusted gross income of less than thirty**
16 **thousand dollars (\$30,000) for the taxable year; and**



1 (5) does not receive long term care services:

2 (A) under the community and home options to institutional
3 care for the elderly and disabled program;

4 (B) under an aged and disabled Medicaid waiver;

5 (C) under the federal Social Services Block Grant;

6 (D) under Title III of the federal Older Americans Act;

7 (E) under the Community Integration and Habilitation
8 Medicaid waiver; or

9 (F) under the Family Supports Medicaid waiver;

10 during the taxable year.

11 Sec. 3. As used in this chapter, "state tax liability" means a
12 taxpayer's total tax liability incurred under IC 6-3-1 through
13 IC 6-3-7 (the adjusted gross income tax).

14 Sec. 4. As used in this chapter, "taxpayer" means an individual
15 who is a resident taxpayer for the taxable year. In the case of a
16 joint return, the term includes the individual and the individual's
17 spouse.

18 Sec. 5. A taxpayer who:

19 (1) has federal adjusted gross income of less than forty
20 thousand dollars (\$40,000) for the taxable year; and

21 (2) without compensation, provides care to one (1) or more
22 eligible family members during the taxable year;

23 is eligible to receive a credit against the taxpayer's state tax
24 liability for the taxable year as provided in this chapter, in the
25 amount determined under section 6 of this chapter.

26 Sec. 6. (a) Subject to subsections (b) through (d), the total
27 amount of the tax credit that a taxpayer described in section 5 of
28 this chapter is eligible to receive for a taxable year is equal to the
29 least of the following:

30 (1) Five hundred dollars (\$500).

31 (2) Fifty percent (50%) of the unreimbursed expenses
32 incurred during the taxable year by the taxpayer for any of
33 the following:

34 (A) Making improvements or alterations to the taxpayer's
35 residence that are necessary to assist one (1) or more
36 eligible family members in carrying out one (1) or more
37 activities of daily living, including but not limited to
38 improvements or alterations to provide the following:

39 (i) A zero-step entrance allowing access into the
40 residence.

41 (ii) An accessible bathroom.

42 (iii) Doors with at least thirty-two (32) inches of clear



- 1 width.
- 2 (iv) Hallways or passageways of at least thirty-six (36)
- 3 inches of clear width to an accessible bathroom, an
- 4 accessible eating area, or an accessible kitchen facility.
- 5 (v) A ramp or another accessible route into the
- 6 residence.
- 7 (vi) Accessible light switches, electrical outlets, and
- 8 environmental controls.
- 9 (vii) Accessible eating areas and accessible kitchen
- 10 facilities.
- 11 (viii) Grab bars and other fixtures to assist with balance
- 12 and with the transfer of an individual.
- 13 (B) Purchasing or leasing equipment necessary to assist
- 14 one (1) or more eligible family members in carrying out
- 15 one (1) or more activities of daily living, including but not
- 16 limited to the following:
- 17 (i) Chair lifts.
- 18 (ii) Wheelchair platform lifts.
- 19 (iii) Wheelchairs, walkers, and canes.
- 20 (iv) Powered scooters.
- 21 (v) Lap trays and other trays to be attached to a
- 22 wheelchair to provide support for an individual's arms.
- 23 (vi) Hospital beds and bed safety rails.
- 24 (vii) Bedside commodes, including drop-arm bedside
- 25 commodes.
- 26 (viii) Raised toilet seats and toilet seat lifts.
- 27 (ix) Handheld reachers designed to allow an individual
- 28 to retrieve items from a distance.
- 29 (x) Transfer boards, sliding boards, and other boards
- 30 designed to bridge a gap between surfaces to make
- 31 transferring an individual safer and easier.
- 32 (xi) Handheld showerheads.
- 33 (xii) Tub and shower chairs, tub and shower benches,
- 34 and tub and shower transfer benches.
- 35 (3) The taxpayer's state tax liability for the taxable year.
- 36 (b) Only one (1) taxpayer may claim a tax credit under this
- 37 chapter for expenses described in subsection (a) that are incurred
- 38 in a taxable year for the eligible family members. If more than one
- 39 (1) taxpayer incurs expenses described in subsection (a) for the
- 40 eligible family members, the credit may be claimed only by the
- 41 taxpayer who incurs the greatest amount of expenses for the
- 42 eligible family members in the taxable year.



1 (c) A taxpayer may not claim a tax credit under this chapter for
 2 expenses incurred in carrying out general household maintenance
 3 activities, including painting, plumbing, electrical repairs, or
 4 exterior maintenance.

5 (d) If a taxpayer resides in Indiana for less than the taxpayer's
 6 entire taxable year, the total amount of the tax credit shall be
 7 reduced to an amount that bears the same ratio to the total as the
 8 taxpayer's income taxable in Indiana bears to the taxpayer's total
 9 income.

10 Sec. 7. A taxpayer is not entitled to a refund, carryback, or
 11 carryforward of any credit amount under this chapter.

12 Sec. 8. (a) To obtain a tax credit under this chapter, a taxpayer
 13 must claim the tax credit in the manner prescribed by the
 14 department. The taxpayer must submit to the department all
 15 information that the department determines to be necessary for the
 16 calculation of the tax credit under this chapter.

17 (b) A taxpayer claiming a tax credit under this chapter shall:

18 (1) attest in writing and under penalties of perjury that, to the
 19 best of the taxpayer's knowledge and belief, the information
 20 provided by the taxpayer on the form on which the tax credit
 21 is claimed is true and correct; and

22 (2) agree to provide documentation of the expenses for which
 23 the tax credit is claimed, as requested by the department.

24 (c) The department shall, on the form on which a tax credit
 25 under this chapter is claimed, provide notice to the taxpayer of the
 26 department's authority under IC 6-8.1-3-12 to audit returns.

27 Sec. 9. The department shall adopt rules under IC 4-22-2
 28 necessary to carry out this chapter.

29 SECTION 2. [EFFECTIVE JANUARY 1, 2015] (a) IC 6-3.1-34, as
 30 added by this act, applies only to taxable years beginning after
 31 December 31, 2014.

32 (b) This SECTION expires July 1, 2018.

