SENATE BILL No. 339

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-43.

Synopsis: Caregiver tax credit. Provides that a qualified taxpayer is entitled to a credit against the qualified taxpayer's state income tax liability in a taxable year equal to the lesser of: (1) the value of qualified services that the qualified taxpayer performed in the immediately preceding taxable year; or (2) $10,000 (or $5,000 in the case of a married individual filing a separate return). Provides that "qualified services" means services, as determined by the office of the secretary of family and social services (FSSA), that a qualified taxpayer performs in caring for an ill or aging qualified family member that the qualified taxpayer otherwise would have compensated a third-party caregiver to perform. Provides that the term does not include services that would otherwise be required to be performed by a licensed physician, a licensed nurse, or other medical professional. Requires the FSSA to: (1) develop criteria that a service must satisfy to be considered a qualified service; (2) derive a formula, using published industry data and standards, to determine the value of the qualified services performed by a qualified taxpayer during a taxable year; and (3) adopt any other guidelines necessary to allow or disallow a credit. Requires a qualified taxpayer to submit to the FSSA all relevant information regarding the performance of qualified services necessary for the FSSA to determine the value of the qualified services. Requires the FSSA to notify a qualified taxpayer in writing the value of the services that the qualified taxpayer performed for purposes of claiming the credit.

Effective: July 1, 2025.

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January 13, 2025, read first time and referred to Committee on Appropriations.

Introduced

First Regular Session of the 124th General Assembly (2025)

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 a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2024 Regular Session of the General Assembly.

SENATE BILL No. 339

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

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

SECTION 1. IC 6-3.1-43 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]:

Chapter 43. Income Tax Credit for Family Caregivers

Sec. 1. This chapter applies to taxable years beginning after December 31, 2025.

Sec. 2. As used in this chapter, "FSSA" means the office of the secretary of family and social services.

Sec. 3. As used in this chapter, "qualified family member" means a qualified taxpayer's spouse, child, grandchild, parent, or sibling.

Sec. 4. (a) As used in this chapter, "qualified services" means services, as determined by the FSSA, that a qualified taxpayer performs in caring for an ill or aging qualified family member that the qualified taxpayer otherwise would have compensated a third party caregiver to perform.

(b) The term does not include services that would otherwise be

required to be performed by a licensed physician, a licensed nurse, or other medical professional.

Sec. 5. As used in this chapter, "qualified taxpayer" means an individual filing a single return, or a married couple filing a joint return, who:

(1) is an Indiana resident;
(2) performed qualified services during a taxable year; and
(3) has state income tax liability.

Sec. 6. As used in this chapter, "state income tax liability" means a taxpayer's adjusted gross income tax liability under IC 6-3.

Sec. 7. (a) Before January 1, 2026, the FSSA shall:

(1) develop criteria that a service must satisfy to be considered a qualified service for purposes of this chapter;
(2) derive a formula, using published industry data and standards, to determine the value of the qualified services performed by a qualified taxpayer during a taxable year; and
(3) adopt any other guidelines necessary to allow or disallow a credit under this section.

(b) The FSSA shall update the criteria, formula, and guidelines described in subsection (a) as necessary.

Sec. 8. Not later than January 31 of the year following the immediately preceding taxable year in which a qualified taxpayer performed qualified services, the qualified taxpayer shall submit to the FSSA all relevant information regarding the performance of the qualified services performed during the immediately preceding taxable year necessary for the FSSA to determine the value of the qualified services.

Sec. 9. Not later than March 31 of the year following the immediately preceding taxable year in which a qualified taxpayer performed qualified services, the FSSA shall notify a qualified taxpayer in writing the value of the services, as determined under section 7(a)(2) of this chapter, that the qualified taxpayer performed in the immediately preceding taxable year for purposes of claiming the credit under this chapter.

Sec. 10. (a) Subject to subsection (b), a taxpayer is entitled to a credit against the taxpayer's state income tax liability in a taxable year equal to the lesser of the following:

(1) The value of the services, as determined by the FSSA under section 7(a)(2) of this chapter, that the qualified taxpayer performed in the immediately preceding taxable year.

(2) Ten thousand dollars ($10,000), or five thousand dollars ($5,000) in the case of a married individual filing a separate return.

(b) A credit awarded under this chapter may not exceed the taxpayer's state income tax liability.

Sec. 11. To obtain a credit under this chapter, a taxpayer must claim the credit in the manner prescribed by the department. The taxpayer shall submit to the department proof of the taxpayer's qualified expenses and all other information that the department determines is necessary.

Sec. 12. A taxpayer is not entitled to any carryover, carryback, or refund of any unused credit.