

2024 -- H 7925

LC005443

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO TAXATION -- TAX CREDIT FOR FAMILY CAREGIVERS

Introduced By: Representatives Fenton-Fung, Phillips, Donovan, Perez, and Place

Date Introduced: March 04, 2024

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by  
2 adding thereto the following chapter:

3 CHAPTER 33.7

4 TAX CREDIT FOR FAMILY CAREGIVERS

5 **44-33.7-1. Definitions.**

6 As used in this chapter:

7 (1) "Activities of daily living (ADL)" means:

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

10 (ii) Continence, which is the ability to control bladder and bowel function;

11 (iii) Dressing, which is the ability to select appropriate clothes and to put the clothes on  
12 without aid;

13 (iv) Feeding, which is the ability of an individual to feed oneself;

14 (v) Personal hygiene, which is the ability to bathe and groom oneself and maintain dental  
15 hygiene and nail and hair care; and

16 (vi) Toileting, which is the ability to get to and from the toilet without aid, using it  
17 appropriately, and cleaning oneself.

18 (2) "Eligible expenditure" means:

19 (i) The improvement or alteration to the family caregiver's or eligible family member's

1 primary residence to permit the eligible family member to live in the residence and to remain  
2 mobile, safe, and independent;

3 (ii) The family caregiver's purchase or lease of equipment, including, but not limited to,  
4 durable medical equipment, that is necessary to assist an eligible family member in carrying out  
5 one or more activities of daily living (ADL); and

6 (iii) Other paid or incurred expenses by the family caregiver that assist the family caregiver  
7 in providing care to an eligible family member, such as expenditures related to:

8 (A) Hiring a home care aide;

9 (B) Respite care;

10 (C) Adult day care;

11 (D) Personal care attendants,

12 (E) Health care equipment; and

13 (F) Technology.

14 (iv) The eligible expenditure shall be directly related to assisting the family caregiver in  
15 providing care to an eligible family member. Eligible expenditure shall not include the carrying out  
16 of general household maintenance activities such as painting, plumbing, electrical repairs, or  
17 exterior maintenance.

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

19 (i) Is sixty-two (62) years of age or older;

20 (ii) Requires assistance with at least two (2) activities of daily living (ADL) as certified by  
21 a licensed health care provider;

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

24 (iv) Lives in a private residential home and not in an assisted living center, nursing facility,  
25 or residential care home.

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

27 (i) Providing care and support for an eligible family member;

28 (ii) Who has a federal adjusted gross income of less than fifty thousand dollars (\$50,000)  
29 for an individual and less than one hundred thousand dollars (\$100,000) for a couple filing jointly;  
30 and

31 (iii) Who has personally incurred uncompensated expenses directly related to the care of  
32 an eligible family member.

33 **44-33.7-2. Credit against tax.**

34 (a) For taxable years beginning after January 1, 2025 and thereafter, there shall be allowed

1 a credit against the tax imposed pursuant to chapter 30 of title 44 in the amount of fifty percent  
2 (50%) for eligible expenditures incurred by a family caregiver for the care and support of an eligible  
3 family member.

4 (b) The maximum allowable credit authorized by this section shall be five thousand dollars  
5 (\$5,000) unless the eligible family member is a veteran in which case the maximum allowable  
6 credit shall be six thousand dollars (\$6,000). If two (2) or more family caregivers claim the tax  
7 credit authorized by this section for the same eligible family member, the maximum allowable  
8 credit shall be allocated in equal amounts between each of the family caregivers.

9 (c) The credit authorized by this section shall not be used to reduce the tax liability of the  
10 taxpayer to less than zero. The credit shall not be carried over.

11 (d) The division of taxation shall promulgate rules and regulations necessary to implement  
12 and administer the credit authorized by this section.

13 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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1           This act would create a tax credit for family caregivers in an amount up to five thousand  
2 dollars (\$5,000) for eligible family members and six thousand dollars (\$6,000) for veterans based  
3 on fifty percent (50%) of the amount of eligible expenditures spent on eligible family members  
4 commencing January 1, 2025 and thereafter.

5           This act would take effect upon passage.

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