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H.B. 454
133rd General Assembly

Bill Analysis

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Version: As Introduced

Primary Sponsors: Reps. Russo and Boyd

Michael Hinel, Attorney

SUMMARY

- Authorizes a refundable income tax credit for a caregiver's unreimbursed eligible expenses to provide care for an adult family member.
- The credit equals 50% of the expenses, but may not exceed \$1,000 per year.

DETAILED ANALYSIS

Income tax credit for eligible caregiver expenses

The bill authorizes a refundable income tax credit for a caregiver's unreimbursed eligible expenses to provide care for an adult family member who needs assistance with one or more daily tasks (the bill refers to such individuals as "eligible family members"). The amount of the credit equals 50% of care expenses incurred during the taxable year, up to a maximum credit of \$1,000.

An eligible family member is an individual who is at least 18 years old, who possesses documentation from a licensed health care provider (i.e., a physician, physician assistant, or nurse) certifying a need for assistance with at least one activity of daily living (i.e., eating, toileting, transferring, bathing, dressing, or continence), and who is married to or cohabits with the caregiver or who is legally related to the caregiver and qualifies as a dependent of the caregiver or the caregiver's spouse for income tax purposes.

Credit-eligible expenses are those necessary for providing care to the eligible family member, including expenses for home improvements or alterations to improve safety, mobility, or independence, expenses for equipment used for at least one activity of daily living, and expenses for services such as respite care, adult day care, home care assistance, transportation, legal and financial services, and assistive living technology. Expenses for general household maintenance are not eligible for the credit, nor are expenses for which the caregiver is reimbursed.

To qualify for the credit, the caregiver's Ohio modified adjusted gross income for the taxable year must be less than \$75,000, or less than \$150,000 if filing a joint return, and the caregiver must be an Ohio resident. (Ohio modified adjusted gross income equals Ohio adjusted gross income including all business income.) Two or more caregivers may claim the credit for eligible expenses to provide care for the same eligible family member, but the credit claimed by each cannot be for the same expenses.¹

Application date and administrative rules

The tax commissioner is required to adopt any rules necessary to administer the tax credit.² The credit may be claimed for taxable years beginning on or after January 1 of the year following the bill's effective date.³

HISTORY

Action	Date
Introduced	12-17-19

H0454-I-133/ts

¹ R.C. 5747.053, 5747.08, and 5747.98.

² R.C. 5747.053(D).

³ Section 3 of the bill.