

By: Senator(s) Doty

To: Finance

SENATE BILL NO. 2991

1 AN ACT TO AUTHORIZE AN INCOME TAX CREDIT TO TAXPAYERS FOR
 2 CERTAIN EXPENSES INCURRED IN PROVIDING CARE FOR A SPOUSE, PARENT,
 3 STEPPARENT OR OTHER RELATIVE WHO IS 18 YEARS OF AGE OR OLDER AND
 4 WHO HAS BEEN CERTIFIED BY A LICENSED HEALTH CARE PROVIDER AS BEING
 5 AN INDIVIDUAL REQUIRING ASSISTANCE WITH AT LEAST ONE ACTIVITY OF
 6 DAILY LIVING; AND FOR RELATED PURPOSES.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8 **SECTION 1.** (1) As used in this section:

9 (a) "Activities of daily living" means the following
 10 self-care tasks: bathing, dressing, eating, personal hygiene,
 11 transferring, ambulation, toileting and maintaining continence.

12 (b) "Eligible care recipient" means an individual who:

13 (i) Is at least eighteen (18) years of age during
 14 a taxable year;

15 (ii) Requires assistance with at least one (1)
 16 activity of daily living, as certified by a health care provider
 17 as defined in Section 41-41-203;

18 (iii) Qualifies as a dependent, spouse, parent or
 19 other relation by blood or marriage, including an in-law,



20 grandparent, grandchild, stepparent, aunt, uncle, niece or nephew
21 of the family caregiver; and

22 (iv) Is a resident of the State of Mississippi for
23 the taxable year.

24 (c) "Family caregiver" means an individual who:

25 (i) Is a resident taxpayer for the taxable year;

26 (ii) Provides care to one or more eligible care
27 recipients during the taxable year;

28 (iii) Has a federal adjusted gross income of less
29 than Fifty-five Thousand Dollars (\$55,000.00) if filing an
30 individual or separate return, or less than One Hundred Ten
31 Thousand Dollars (\$110,000.00) if filing a joint or combined
32 return; and

33 (iv) Incurs uncompensated expenses directly
34 related to the care of the eligible care recipient or recipients.

35 In the case of a joint or combined return, the term "family
36 caregiver" includes both spouses.

37 (2) (a) A family caregiver shall be allowed a credit
38 against the taxes imposed by this chapter, in an amount equal to
39 fifty percent (50%) of the eligible expenses incurred by the
40 family caregiver during the taxable year. The maximum allowable
41 credit shall not exceed Five Hundred Dollars (\$500.00) or, if a
42 family caregiver is married and filing a separate return, Two
43 Hundred Fifty Dollars (\$250.00), in any taxable year.



44 (b) A taxpayer is not entitled to a refund, carryback
45 or carryforward of any credit under this section.

46 (3) Expenditures eligible to be claimed for the tax credit
47 include:

48 (a) The improvement or alteration to the family
49 caregiver's primary residence to permit the eligible care
50 recipient to remain mobile, safe and independent;

51 (b) The purchase or lease of equipment that is
52 necessary to assist an eligible care recipient in carrying out one
53 or more activities of daily living; and

54 (c) Other goods, services or supports that assist the
55 family caregiver in providing care to an eligible care recipient,
56 such as expenditures related to hiring a home care aide or
57 personal care attendant, respite care, adult day care,
58 transportation, legal and financial services, and assistive
59 technology.

60 (4) Only one (1) taxpayer may claim a tax credit in a
61 taxable year for eligible expenses under this section. If two (2)
62 or more qualified taxpayers claim a credit in accordance with this
63 section for the same eligible care recipient, the total amount of
64 the credit allowed shall be allocated in equal amounts between or
65 among each of the qualified taxpayers.

66 (5) A taxpayer may not claim a tax credit under this section
67 for expenses incurred in carrying out general household



68 maintenance activities, including painting, plumbing, electrical
69 repairs and exterior maintenance.

70 (6) The aggregate amount of tax credits allowed pursuant to
71 this section shall be Five Hundred Thousand Dollars (\$500,000.00)
72 each year during the period 2020 through 2022. To obtain a tax
73 credit under this section, a taxpayer must claim the tax credit in
74 the manner prescribed by the department. Once the credits
75 allocated exceed the limit established in this subsection, the
76 department shall cease to allocate tax credits to taxpayers.

77 (7) The department shall submit to the Governor, the
78 President Pro Tempore of the Senate, and the Speaker of the House
79 of Representatives an annual report by February 1 of each year
80 evaluating the effectiveness of the caregiving tax credit provided
81 by this section. Such report shall be based on data available
82 from the department for any caregiving credits. Notwithstanding
83 any provision of law to the contrary, the information contained in
84 the report shall be public information. The report shall include
85 recommendations for changes in the calculation or administration
86 of the credit proposed by the department that are deemed useful
87 and appropriate.

88 (8) This section shall stand repealed from and after January
89 1, 2023.

90 **SECTION 2.** Section 1 of this act shall be codified in
91 Title 27, Chapter 7, Mississippi Code of 1972.



92 **SECTION 3.** This act shall take effect and be in force from
93 and after January 1, 2020.

