

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 302 Session of 2001

INTRODUCED BY WAGNER, MELLOW, O'PAKE, MUSTO, FUMO, KASUNIC, STOUT, WOZNIAK, BODACK, BOSCOLA, COSTA, HUGHES, KITCHEN, KUKOVICH, LAVALLE, LOGAN, SCHWARTZ, STACK, TARTAGLIONE AND WILLIAMS, FEBRUARY 5, 2001

REFERRED TO FINANCE, FEBRUARY 5, 2001

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," authorizing a tax credit for family caregivers.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
14 the Tax Reform Code of 1971, is amended by adding an article to
15 read:

ARTICLE XIX-B

FAMILY CAREGIVER TAX CREDIT

18 Section 1901-B. Short Title.--This article shall be known
19 and may be cited as the "Family Caregiver Tax Credit Act."

20 Section 1902-B. Definitions.--The following words, terms and
21 phrases, when used in this article, shall have the meanings

1 ascribed to them in this section, except where the context
2 clearly indicates a different meaning:

3 "Activities of daily living" means any or all of the
4 following: eating; bathing; dressing; toileting; transferring in
5 and out of bed or in and out of a chair; and personal hygiene.

6 "Assisted living services" means any combination of support
7 services, personal care services, personalized assistance
8 services, assistive technology and health-related services
9 designed to respond to the needs of those who need such
10 assistance to perform activities of daily living. The term may
11 also include assistance with the instrumental activities of
12 daily living.

13 "Cognitive support services" means services provided as a
14 part of a coordinated care plan to individuals who have memory
15 impairments or other cognitive problems that significantly
16 interfere with or impair their ability to conduct activities of
17 daily living without assistance or monitoring.

18 "Eligible caregiver" means a taxpayer who provides, arranges
19 for the provision of or pays for assisted living, cognitive
20 support or personal care services for a qualified beneficiary.

21 "Instrumental activities of daily living" includes, but is
22 not limited to, services such as meal preparation, assistance in
23 taking medications, handling finances, shopping, light
24 housekeeping and keeping physician appointments.

25 "Personal care services" means assistance or supervision in
26 matters such as dressing, bathing, diet, financial management or
27 assistance with self-administered medications.

28 "Qualified beneficiary" means an individual who:

29 (1) has been certified by a physician as requiring assisted
30 living, cognitive support or personal care services for at least

one hundred eighty consecutive days;

(2) is at least sixty years of age;

(3) received such services in one's home, in the home of an eligible caregiver or in an approved adult day-care center; and

(4) is the spouse, parent, grandparent, step parent, step grandparent or and individual with respect to whom the taxpayer is allowed a deduction under section 151 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §1 et. seq.) for the taxable year.

Section 1903-B. Family Caregiver Tax Credit.--There shall be allowed a credit against the tax imposed by Article III on eligible caregivers for the costs of providing assisted living, cognitive support or personal care services to a qualified beneficiary. The amount of the credit under this section shall be fifteen per centum of the amount spent by the eligible caregiver in providing such services provided such amount does not exceed ten thousand dollars (\$10,000). Only expenditures for services provided in the home of the qualified beneficiary, the home of a taxpayer serving as an eligible caregiver for that recipient or in an approved adult day-care facility shall be included in calculating the credit.

Section 1904-B. Multiple Caregivers.--If more than one taxpayer is an eligible caregiver with respect to the same applicable individual for taxable years ending with or within the same calendar year, the taxpayer with the highest modified adjusted gross income shall be treated as the eligible caregiver. In the case of married individuals filing separately, only one of the individuals shall qualify for the credit authorized by this article. In the event that they can not agree as to who shall qualify as the family caregiver, the

1 determination shall be made that the individual who has the most
2 immediate relationship with the qualified beneficiary shall be
3 the family caregiver for purposes of this article.

4 Section 1905-B. Identification Requirements.--No tax credit
5 shall be allowed under this article to a taxpayer with respect
6 to any applicable individual unless the taxpayer includes the
7 name and taxpayer identification number of such individual, the
8 name of the physician certifying the need for such services and
9 the taxpayer identification number of the entity or entities
10 providing such services.

11 Section 2. This act shall apply to tax years beginning on or
12 after January 1, 2001.

13 Section 3. This act shall take effect in 60 days.