

Senate File 382 - Introduced

SENATE FILE 382

BY MATHIS

A BILL FOR

1 An Act providing an individual income tax credit related to
2 the care of individuals with Alzheimer's disease or other
3 dementia-related illnesses and including applicability
4 provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.12, subsection 1, Code 2017, is
2 amended by adding the following new paragraphs:

3 NEW PARAGRAPH. *0a.* "*Activities of daily living*" means the
4 same as defined in section 7702B(c)(2)(B) of the Internal
5 Revenue Code.

6 NEW PARAGRAPH. *00a.* "*Applicable individual*" means an
7 individual who has been diagnosed by a physician as having
8 Alzheimer's disease or another dementia-related illness and who
9 has been certified by a physician as being unable to perform
10 for at least one hundred eighty consecutive days at least one
11 activity of daily living without substantial assistance from
12 another individual due to a loss of functional capacity.

13 NEW PARAGRAPH. *0c.* "*Physician*" means an individual
14 authorized to practice medicine and surgery or osteopathic
15 medicine and surgery under the laws of any state.

16 Sec. 2. Section 422.12, subsection 2, Code 2017, is amended
17 by adding the following new paragraph:

18 NEW PARAGRAPH. *e.* (1) A caregiver tax credit in an amount
19 equal to the product of five hundred dollars multiplied by
20 the number of applicable individuals with respect to whom the
21 taxpayer is an eligible caregiver for the tax year.

22 (2) (a) An applicable individual shall have only one
23 eligible caregiver for purposes of the credit.

24 (b) A taxpayer shall be treated as an eligible caregiver
25 for any tax year with respect to the taxpayer's spouse or a
26 dependent who is an applicable individual.

27 (c) (i) If more than one individual could be considered
28 an eligible caregiver with respect to the same applicable
29 individual for a tax year, the applicable individual shall be
30 treated as the eligible caregiver for purposes of receiving
31 the credit if each of the individuals who could be considered
32 an eligible caregiver files a written declaration that the
33 individual will not claim the applicable individual for the
34 credit. The written declaration shall be made in the manner
35 and form prescribed by rule by the department.

1 (ii) If each individual who could be considered an eligible
2 caregiver does not file a written declaration as described in
3 subparagraph subdivision (i), the individual with the highest
4 net income for the tax year shall be treated as the eligible
5 caregiver.

6 (d) If no other individual is an eligible caregiver
7 with respect to an applicable individual for a tax year,
8 the applicable individual shall be treated as the eligible
9 caregiver for purposes of receiving the credit.

10 (3) A credit shall not be allowed under this paragraph "e"
11 for any eligible caregiver whose net income for the tax year is
12 equal to or exceeds one hundred thousand dollars in the case of
13 married persons filing jointly, or fifty thousand dollars in
14 the case of all other persons.

15 Sec. 3. APPLICABILITY. This Act applies to tax years
16 beginning on or after January 1, 2018.

17 EXPLANATION

18 The inclusion of this explanation does not constitute agreement with
19 the explanation's substance by the members of the general assembly.

20 This bill provides a nonrefundable caregiver tax credit
21 against the individual income tax equal to \$500 for each
22 applicable individual for whom a taxpayer is treated as
23 being an eligible caregiver for the tax year. "Applicable
24 individual" is defined to mean an individual who has been
25 diagnosed by a physician as having Alzheimer's disease or
26 another dementia-related illness and who has been certified
27 by a physician as being unable to perform for at least 180
28 consecutive days at least one activity of daily living without
29 substantial assistance from another individual due to loss of
30 functional capacity. "Activities of daily living" include
31 eating, toileting, transferring, bathing, dressing, and
32 continence.

33 An applicable individual shall only have one eligible
34 caregiver for purposes of the credit. A taxpayer is considered
35 an eligible caregiver for an applicable individual if that

1 applicable individual is the taxpayer's spouse or dependent.
2 If more than one individual could be considered an eligible
3 caregiver for an applicable individual, the person with
4 the highest net income for the tax year shall be treated as
5 the eligible caregiver unless each person files a written
6 declaration that the person will not claim the applicable
7 individual for the credit. If that occurs, the applicable
8 individual shall be considered the eligible caregiver and may
9 claim the tax credit. Also, if no other individual qualifies
10 as an eligible caregiver for an applicable individual for a
11 tax year, the applicable individual shall be treated as the
12 eligible caregiver.

13 The credit is unavailable for any eligible caregiver whose
14 net income is \$100,000 or more for the tax year in the case of
15 married persons filing jointly, or \$50,000 or more in the case
16 of all other persons.

17 The bill applies to tax years beginning on or after January
18 1, 2018.