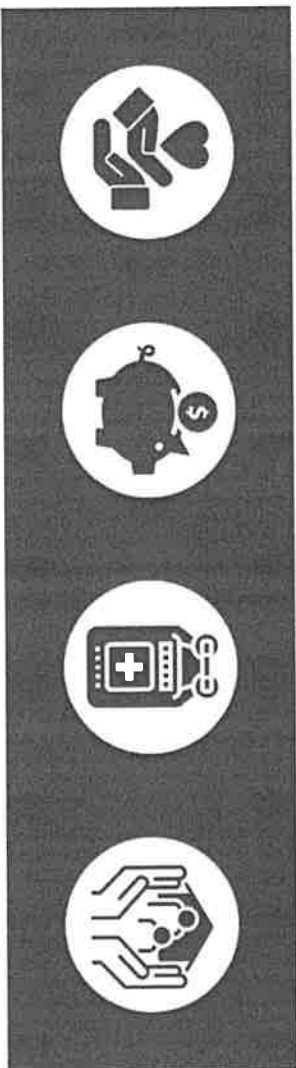

CARING FOR CAREGIVERS TAX CREDIT



About the Tax Credit



- Oklahoma is the first state in the nation to adopt an expansive tax credit for family caregivers.
- Passed during the 2023 legislative session, The Caring for Caregivers Act became effective January 1, 2024.

About the Tax Credit

The Caring for Caregivers tax credit is for out-of-pocket costs incurred by the unpaid family caregiver for a limited set of services.

- The expenses must be directly related to assisting the family caregiver in providing care to an eligible family member.
- The tax credit is capped at **\$2,000** per year for most participants.
- Individuals caring for veterans or those with a dementia-related diagnosis will receive **up to \$3,000**.

Qualifications

- Eligible Oklahomans receiving care from a family caregiver must be 62 years of age or older and require assistance with at least two activities of daily living (ADLs)
- Family caregivers must have a federally adjusted gross income of less than \$50,000 (individual) or less than \$100,000 for a couple filing jointly to receive the tax credit. They must also personally incur uncompensated expenses directly related to the care of an eligible family member.
- Individuals must qualify as a dependent, spouse, parent or other relation by blood or marriage to the family caregiver.
- Individuals must live in a private residential home, not an assisted living center, nursing facility, or residential care home.

ADL's and How They Fit with the Tax Credit

The tax credit helps offset the purchase or lease of equipment necessary to assist an eligible family member in carrying out one or more activities of adult daily living (ADL).

ADL examples:

- The individual's ability to move from one position to another and walk independently. The ability of an individual to feed oneself.
- The ability to select appropriate clothes and to put the clothes on without aid.
- The ability to bathe, groom oneself, and maintain dental hygiene and nail and hair care. The ability to control bladder and bowel function, and the ability to get to and from the toilet without aid, using it appropriately, and cleaning oneself.

Examples of Covered Expenditures

- The purchase or lease of equipment necessary to assist an eligible family member in carrying out one or more activities of adult daily living (ADL) qualify for the tax credit.
 - Wheelchairs, lift chairs
 - Walkers
 - Adult diapers
 - Durable medical equipment
- Improvements to the family caregiver's primary residence qualifies if it allows the eligible family member to live in the residence and remain mobile, safe and independent.

What type of care qualifies as an eligible expense?

Types of eligible expenditures paid or incurred by the family caregiver providing care to an eligible family member are eligible:

- Home care aide
- Respite care
- Adult day care
- Personal care attendant

What is not covered?

- Prescription or over-the-counter drugs
 - Many individuals being cared for are Medicare recipients and will already have at least a portion of their medications covered.
- Medical supplies: many are considered either medications (insulin) or medical devices (pumps/glucose monitors, etc.)
- Expenditures of general household maintenance activities such as painting, plumbing, electrical repairs or exterior maintenance.

Other Important Things to Know

- Two or more family caregivers may claim the tax credit for the same eligible family member.
 - The maximum allowable credit shall be allocated equally between each family caregiver.
- The Oklahoma Legislature has capped the amount of tax credits at \$1,500,000 annually

How to Claim the Caring for Caregivers Tax Credit

- The Oklahoma Tax Commission (OTC) form 592 must be filed with each claimant's tax return, along with any other information or documentation the OTC may require, such as receipts to support the claimed expenses, proof of veteran status and/or documentation to support a diagnosis of dementia for the eligible family member.
- *Please note that Form 592 is not yet available from the OTC. The form will be posted on the OTC website when it is made available for tax preparation.*