

HOUSE BILL NO. 1215

Introduced by

Representatives Owens, Dockter, Haak, Sanford, Silbernagel, Trottier, Weisz

Senators Armstrong, J. Lee, Poolman, Rust, Sorvaag

1 A BILL for an Act to amend and reenact section 57-38-01.20 of the North Dakota Century Code,
2 relating to expanding the income tax credit for expenses of caring for certain family members;
3 and to provide an effective date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 57-38-01.20 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-38-01.20. Credit for expenses of caring for certain family members.**

8 1. An individual is entitled to a credit against the tax imposed under section 57-38-30.3 in
9 the amount of qualified care expenses under this section paid by the individual for the
10 care of a qualifying family member during the taxable year.

11 2. A qualifying family member is an individual who has taxable income of ~~twentyfour~~
12 thousand dollars or less or a married individual with taxable income of ~~thirty-fivesixty~~
13 thousand dollars or less, including that of the individual's spouse, for the taxable year.
14 A qualifying family member must be related to the taxpayer by blood or marriage and
15 either sixty-five years of age or older or is disabled as defined under title XVI of the
16 federal Social Security Act.

17 3. a. Qualified care expenses include payments by the taxpayer for home health
18 agency services, companionship services, personal care attendant services,
19 homemaker services, adult day care, respite care, and other expenses that are
20 deductible medical expenses under the Internal Revenue Code. A qualified care
21 expense must be:

22 (1) Provided to or for the benefit of the qualifying family member or to assist the
23 taxpayer in caring for the qualifying family member;

- 1 (2) Provided by an organization or individual not related to the taxpayer or the
2 qualifying family member; and
- 3 (3) Not compensated for by insurance or federal or state assistance programs.
- 4 b. For purposes of this subsection, "companionship services" means services that
5 provide fellowship, care, and protection for individuals who, because of advanced
6 age or physical or mental disabilities, cannot care for their own needs. Those
7 services may include household work related to the care of the aged or disabled
8 person, including meal preparation, bed making, washing of clothes, and other
9 similar services, and may include the performance of general household work if
10 that work does not exceed twenty percent of the total weekly hours worked.
11 "Companionship services" does not include services relating to the care and
12 protection of the aged or disabled which require and are performed by trained
13 personnel, including a registered or practical nurse, and does not include
14 services of individuals who provide care and protection for infants and young
15 children who are not physically or mentally disabled.
- 16 4. The percentage amount of credit allowable under this section is:
- 17 a. For a taxpayer whose taxable income does not exceed ~~twenty-five~~forty thousand
18 dollars, or ~~thirty-five~~sixty thousand dollars for a joint return, ~~thirty~~fifty percent of
19 qualified elderly care expenses; or
- 20 b. For a taxpayer whose taxable income exceeds ~~twenty-five~~forty thousand dollars,
21 or ~~thirty-five~~sixty thousand dollars for a joint return, ~~the greater of:~~thirty percent of
22 qualified elderly care expenses
- 23 (1) ~~Twenty percent of qualified elderly care expenses; or~~
- 24 (2) ~~Thirty percent of qualified elderly care expenses, minus one percent of~~
25 ~~those expenses for each two thousand dollars or fraction of two thousand~~
26 ~~dollars by which the taxable income of the taxpayer for the taxable year~~
27 ~~exceeds twenty-five thousand dollars, or thirty-five thousand dollars for a~~
28 ~~joint return.~~
- 29 5. ~~The dollar amount of credit allowable under this section is:~~
- 30 a. ~~Reduced by one dollar for each dollar of the taxable income over fifty thousand~~
31 ~~dollars for a taxpayer whose taxable income exceeds fifty thousand dollars, or for~~

- 1 a joint return, reduced by one dollar for each dollar of the taxable income over
2 seventy thousand dollars for taxpayers whose taxable income exceeds seventy
3 thousand dollars; and
- 4 b. ~~Limited to two thousand dollars per qualifying family member in a taxable year~~
5 ~~and to four thousand dollars total for two or more qualifying family members in a~~
6 ~~taxable year.~~
- 7 6. A deduction or credit is not allowed under any other provision of this chapter with
8 respect to any amount for which a credit is allowed under this section. The credit
9 allowed under this section may ~~not~~ be claimed as a ~~carryback or carryforward~~ for up to
10 three taxable years and may not be refunded if the taxpayer has no tax liability.
- 11 ~~7.6.~~ In the case of a married individual filing a separate return, the income limit and
12 percentage amount of credit under subsection 4 ~~and the dollar amount of credit under~~
13 ~~subsection 5 are~~ is limited to one-half of the amounts indicated in ~~these~~
14 ~~subsections~~ subsection 4.

15 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
16 December 31, 2014.