

**HOUSE BILL NO. 1471**

Introduced by

Representatives Niemeier, Wardner, Jensen, Kerzman

Senators Andrist, DeMers

1 A BILL for an Act to create and enact a new section to chapter 57-38 and a new subsection to  
2 section 57-38-30.3 of the North Dakota Century Code, relating to an individual or trust income  
3 tax credit for expenses of caring for certain family members; and to provide an effective date.

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

5 **SECTION 1.** A new section to chapter 57-38 of the North Dakota Century Code is  
6 created and enacted as follows:

7 **Credit for expenses of caring for certain family members.**

- 8 1. An individual is entitled to a credit against the tax imposed under section 57-38-29  
9 or 57-38-30.3 in the amount of qualified care expenses under this section paid by  
10 the individual for the care of a qualifying family member during the taxable year.
- 11 2. A qualifying family member is an individual who has taxable income of fifteen  
12 thousand dollars or less or a married individual with taxable income of thirty  
13 thousand dollars or less, including that of the individual's spouse, for the taxable  
14 year. A qualifying family member must be related to the taxpayer by blood or  
15 marriage and either sixty-five years of age or older or determined to be disabled by  
16 the social security administration.
- 17 3. Qualified care expenses include payments by the taxpayer for home health agency  
18 services, personal care attendant services, homemaker services, adult day care,  
19 respite care, health care equipment and supplies, and other expenses for goods or  
20 services that are necessary to allow the qualifying family member to avoid  
21 placement in a long-term care facility and which are:
- 22 a. Provided to or for the benefit of the qualifying family member or to assist the  
23 taxpayer in caring for the qualifying family member;

- b. Provided by an organization or individual not related to the taxpayer or the qualifying family member; and
    - c. Not compensated for by insurance or federal or state assistance programs.
  4. The percentage amount of credit allowable under this section is:
    - a. For a taxpayer whose taxable income does not exceed twenty-five thousand dollars, thirty percent of qualified elderly care expenses; or
    - b. For a taxpayer whose taxable income exceeds twenty-five thousand dollars, the greater of:
      - (1) Twenty percent of qualified elderly care expenses; or
      - (2) Thirty percent of qualified elderly care expenses, minus one percent of those expenses for each two thousand dollars or fraction of two thousand dollars by which the taxable income of the taxpayer for the taxable year exceeds twenty-five thousand dollars.
  5. The dollar amount of credit allowable under this section is:
    - a. Reduced by one dollar for each dollar of the taxable income over fifty thousand dollars for a taxpayer whose taxable income exceeds fifty thousand dollars;
    - b. Limited to two thousand dollars per qualifying family member in a taxable year and to four thousand dollars total for two or more qualifying family members in a taxable year; and
    - c. Prorated among multiple taxpayers who each contribute to qualified care expenses of the same qualified family member in a taxable year in the same proportion that their contributions bear to the total qualified care expenses paid by those taxpayers for that qualified family member.
  6. A deduction or credit is not allowed under any other provision of this chapter with respect to any amount for which a credit is allowed under this section. The credit allowed under this section may not be claimed as a carryback or carryforward and may not be refunded if the taxpayer has no tax liability.
  7. In the case of a married individual filing a separate return, the percentage amount of credit under subsection 4 and the dollar amount of credit under subsection 5 are limited to one-half of the amounts indicated in those subsections.

1           **SECTION 2.** A new subsection to section 57-38-30.3 of the North Dakota Century Code  
2 is created and enacted as follows:

3                   A taxpayer filing a return under this section is entitled to the credit provided under  
4                   section 1 of this Act.

5           **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
6 December 31, 1996.