

**1999 HOUSE FINANCE AND TAXATION**

**HB 1474**

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1474

House Finance and Taxation Committee

Conference Committee

Hearing Date February 2, 1999

Tape Number	Side A	Side B	Meter #
1	x		Did not record
Committee Clerk Signature <i>Janice Stein</i>			

Minutes:

REP. BELTER Opened the hearing.

REP. CAROL NIEMEIER, DIST. 20, BUXTON, Introduced the bill. See written testimony.

She also submitted a handout showing the fiscal impact this bill would have together with a resolution from the 1998 Statehouse Conference on Aging. See attached copies.

REP. WINRICH Stated it looked like the numbers for a joint return are all doubled, but on page 1, the figures used were twenty thousand and thirty five thousand, is there a reason for this?

REP. NIEMEIER The numbers on page 2, show joint returns, so they just doubled the figures. However, if one earns fifty thousand dollars, it is not always definite that the second will earn that amount.

REP. RON NICHOLS, DIST.4 Testified in support of the bill. He felt we needed a bill like this to keep family members at home as long as possible. We all know the cost of nursing homes.

REP. JIM KERZMAN, DIST. 35 Testified in support of the bill. He called this bill a Thank You bill. He felt it was a tremendous savings to the state, if family members are able to be cared for at home.

BONNIE PALACEK, BISMARCK, Testified in support of the bill. Gave an account of her own experience taking care of her parents. Related to the cost of taking care of them versus sending them to a nursing home.

MICHAEL J. GILLEN, ADMINISTRATOR, ANNE CARLSEN CENTER FOR CHILDREN,  
Submitted testimony for the committee. See attached copy.

With no further testimony, the hearing was closed.

COMMITTEE ACTION 2-2-99, Tape #1, Side B, Meter 25

In discussion, committee members felt the bill should be amended on page 2, line 20 from fifty to thirty five thousand also page 2, line 22 from "fifty" to "thirty five thousand" then on page 3, line 4, from "one hundred" to "seventy five" and again on page 5, "one hundred" to "seventy five". They also felt the language should refer to a joint return.

REP. WINRICH Offered to have the amendments drafted by the legislative council.

COMMITTEE ACTION 2-3-99, Tape #2, Side A, Meter #18.9

REP. WINRICH Stated that in visiting with Rep. Niemeier, there was no rationale on the numbers on the tax table. It was just a matter of choosing the number you wanted. He recommended that page 2, line 20 and line 23, be changed from "fifty thousand" to "thirty five thousand", and page 3, line 4 and line 5, be changed from "one hundred" to "seventy"

REP. WINRICH Made a motion to adopt the amendments.

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House Finance and Taxation Committee

Bill/Resolution Number Hb 1474

Hearing Date February 2, 1999

REP. GROSZ Second the motion. MOTION CARRIED BY VOICE VOTE.

REP. SCHMIDT Made a motion for a DO PASS AS AMENDED.

REP. CLARK Second the motion. MOTION CARRIED

13 Yes 0 No 2 Absent

REP. CLARK Was given the floor assignment.



# FISCAL NOTE

(Return original and 14 copies)

Bill / Resolution No.: \_\_\_\_\_

Amendment to: HB 1474

Requested by Legislative Council

Date of Request: 02/16/99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative: HB 1474 broadens and clarifies the allowable income threshold relating to the income tax credit for expenses of caring for qualified family members. The impacts of HB 1474 are unknown. The Department can not reasonably estimate the number of individuals who will utilize the tax savings and eliminate the need for a relative to enter a nursing facility or those individuals who will enter a nursing facility even with the tax savings. In addition, the Department can not estimate the number of individuals that would not enter a nursing facility even without the tax savings. Nursing home rates are based on occupancy, consequently any decrease or increase in occupancy may result in a higher or lower nursing home reimbursement rate in future years (up to the limit rate.) The affects of the change on nursing home expenditures is unknown. It is also unknown how many other services will be utilized by the individual in the family setting, such as SPED, Expanded SPED and home health which are paid for by the Department. The Tax Department information shows that for the 1997 returns, 12 taxpayers utilized this credit, claiming a total of \$9,763.

2. State fiscal effect in dollar amounts:

1997-1999		1999-2001		2001-2003	
<u>Biennium</u>		<u>Biennium</u>		<u>Biennium</u>	
General	Special	General	Special	General	Special
<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>

Revenues:

Expenditures:                      -0-                                      Unknown                                      Unknown

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium:                                      -0-
- b. For the 1999-01 biennium:    Unknown
- c. For the 2001-03 biennium:    Unknown

4. County, City, and School District fiscal effect in dollar amounts:

1997-1999			1999-2001			2001-2003		
<u>Biennium</u>			<u>Biennium</u>			<u>Biennium</u>		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

-0-

-0-

-0-

If additional space is needed, attach a supplemental sheet.

Signed

*Brenda M. Weisz*

Typed Name

Brenda M. Weisz

Date Prepared: February 22, 1999

Department

Human Services

Phone No.

328-2397

## FISCAL NOTE

Turn original and 14 copies)

Bill/Resolution No.: HB 1474

Amendment to: \_\_\_\_\_

Requested by Legislative Council

Date of Request: 1/20/99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

**Narrative:** HB 1474 broadens and clarifies the allowable income threshold relating to the income tax credit for expenses of caring for qualified family members. The fiscal impact of these changes is unknown (Note: On 1997 returns, 12 taxpayers utilized this credit, claiming a total of \$9,763.)

2. **State** fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>						

3. What, if any, is the effect of this measure on the budget for your agency or department:

- a. For rest of 1997-99 biennium: \_\_\_\_\_  
**(Indicate the portion of this amount included in the 1999-2001 executive budget:)**
- b. For the 1999-2001 biennium: \_\_\_\_\_  
**(Indicate the portion of this amount included in the 1999-2001 executive budget:)**
- c. For the 2001-03 biennium: \_\_\_\_\_

4. **County, city, and school district** fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed  
attach a supplemental sheet.

Signed: 

Typed Name: Kathryn L. Strombeck

Department: Tax

Date Prepared: February 1, 1999

Phone Number: 328-3402

Please type or use black pen to complete

Date 2-3-99

Roll call vote # 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1474

House HOUSE FINANCE & TAX Committee

Subcommittee on \_\_\_\_\_

Conference Committee

} Identify or check where appropriate

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass as amended

Motion Made By Rep. Schmidt Seconded By Rep. Clark

Representatives	Yes	No	Representatives	Yes	No
BELTER	✓		WINRICH	✓	
RENNERFELDT	✓				
CLARK	✓				
FROELICH	A				
GRANDE	✓				
GROSZ	✓				
HERBEL	✓				
KROEBER	✓				
MICKELSON	A				
NICHOLAS	✓				
RENNER	✓				
SCHMIDT	✓				
WARNER	✓				
WIKENHEISER	✓				

Total 13 0  
(Yes) (No)

Absent 2

Floor Assignment Rep. Clark

If the vote is on an amendment, briefly indicate intent:

DO NOT USE HIGHLIGHTER ON ANY FORMS

**REPORT OF STANDING COMMITTEE**

**HB 1474: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1474 was placed on the Sixth order on the calendar.

Page 2, line 20, replace "fifty" with "thirty-five"

Page 2, line 23, replace "fifty" with "thirty-five"

Page 2, line 28, replace "fifty" with "thirty-five"

Page 3, line 4, replace "one hundred" with "seventy"

Page 3, line 5, replace "one hundred" with "seventy"

Renumber accordingly

**1999 SENATE FINANCE AND TAXATION**

**HB 1474**

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1474

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 2-15-99

Tape Number	Side A	Side B	Meter #
HB 1474	X		2780-END
Committee Clerk Signature <i>Sheila Wald</i>			

Minutes:

Sen Urlacher - opened the hearing on HB 1474, a BILL RELATING TO THE INCOME TAX CREDIT FOR EXPENSES OF CARING FOR CERTAIN FAMILY MEMBER, AND PROVIDE AN EFFECTIVE DATE.

Repr. Carol Niemeier - Presented testimony and it is attached. She also distributed testimony and that is also attached from Carol Watrel, and Michael Gillen.

Sen. Schobinger - Do elderly person in nursing home receive Medicare payments?

Repr. Carol Niemeier - some services are covered.

Sen Stenhjem - How about the fiscal note?

Muriel Peterson - Federal matched dollars on in home services per person if they qualify for nursing home care. We do have 300 some people a month that we provide payment . It is restricted in terms of payment t o family members. The objective is the cost effective way of

delivering services in nursing home care. About 20% of people in nursing homes today, are at the lowest case mixed level. If we had services like we are developing now, at the time of their admission, they may not have needed to go into the home at that point in time. Would be put back into their home setting. The fiscal part is looking at it in a broad picture. How much did the State save? In reality were are reducing costs, not building dollars over here. What kind of reduction of expenditures does this make? That is what is happening.

Donnita Wald - No requests for fiscal and we can't determine the amount anyway.

Sen Stenehjem - Do you know what it would be if we raised these exemptions? If we change the criteria, wouldn't there be a lot of people who would fall under this that hadn't been in this before?

Sen Kinnoin - 20% was mentioned before of this category that could be in a home setting.

Sen Christmann - The guidelines currently are lost, only 11 people applied for this? Are you proposing to raise this income limits from 15 50 20 thousand \$, and then add in people who file jointly at 35,000 dollars.

Howard Snortland - AARP. Survey made of our people in the State, and we endorse this bill.

Shelly Peterson - ND Long Term Care Association. Strong support of this bill. . We found that the number one issue, that people entered nursing facilities, was the breakdown of family support system. They could not provide the care 24 hours.

Joe Becker - Unable to ascertain a fiscal impact as it was introduced. If 11 people benefit from this, the highest it can go is \$22,000.

Sen Stenehjem- If we pull 10 people out of nursing home and put in home care, going by these numbers there has to be cost saving. It should be addressed.

Page 3  
Senate Finance and Taxation Committee  
Bill/Resolution Number Hb 1474  
Hearing Date 2-15-99

Sen Christmann - Raising income standards, is this helpful for Tax Dept.

Joe Becker - We asked for it because two care givers may report it on each income tax return & we need to check each tax return.

Donnita Wald - Request the Leg. Council for a fiscal note.

Sen Urlacher closed the hearing.

DISCUSSION 2-24-99 MOTION MADE TO DO PASS BY SEN. WARDNER AND  
SECONDED BY SEN KINNOIN, 5-2-0, CARRIER SEN. WARDNER. TAPE B 1730 -  
1850.



Date: 2-24-99  
Roll Call Vote #: ①

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1474

Senate Senate Finance and Taxation Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken As Pass

Motion Made By Sen. Wardner Seconded By Sen. Kinnoin

Senators	Yes	No	Senators	Yes	No
SENATOR URLACHER	✓				
SENATOR CHRISTMANN		✓			
SENATOR SCHOBINGER	✓				
SENATOR STENEHJEM		✓			
SENATOR WARDNER	✓				
SENATOR KINNOIN	✓				
SENATOR KROEPLIN	✓				

Total (Yes) 5 No 2

Absent 0

Floor Assignment Sen. Wardner

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)  
February 25, 1999 3:56 p.m.

Module No: SR-34-3630  
Carrier: Wardner  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1474, as engrossed: Finance and Taxation Committee (Sen. Urlacher, Chairman)**  
recommends **DO PASS** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING).  
Engrossed HB 1474 was placed on the Fourteenth order on the calendar.

1999 TESTIMONY

HB 1474

TESTIMONY  
Introduction of HB 1474

Prepared by Representative Carol A. Niemeier

Tuesday, February 2, 1999

Chairman Belter and Members of the House Finance and Taxation Committee. For the record, I am Representative Carol Niemeier, District 20, Buxton. I am here to present HB 1474 which allows an income tax credit for vouchered expenses incurred in the care of certain family members. The original bill was passed into Code in the 1997 session, and this amended version seeks to improve its usage and administration by the Tax Department.

The need is significant and will also be attested to by the testimony to follow.

1. We have an aging population who would prefer to remain in their homes as long as possible.
2. Family guardians are often fully employed and hire community services for care-giving.
3. Nursing home costs may exhaust estate resources and residents require Medicaid benefits.
4. Long-term care is the largest part of the human services budget. Over fifty percent of nursing home residents (3,700) are on Medicaid.
5. Families may maintain their autonomy and control of decision-making.

Please note the amended areas. Section I raises the taxable income by \$5,000 for a single or married family member to permit more qualifiers. In the last year, eleven applicants were allowed.

In Section I, IV, and V, the change includes filing a joint return.

In subsection 5.c, a waiver of secrecy provisions is included, addressing the prorating requirement.

Uncompensated care is being provided by families across our state. This bill impacts sons, daughters, and spouses who bear the time, expense, and effort of allowing a loved one to remain in the comfort and familiar surroundings of their home.

1999 is the designated International Year of Older Persons. An incentive for community-based care is one way to honor them.

Thank you.

Respectfully submitted by:

Representative Carol A. Niemeier

FISCAL IMPACT OF HB 1474

Tuesday, February 2, 1999  
Representative Carol A. Niemeier

Breakdown of Medicaid Nursing Facility Rate

Federal Share:	\$59.63	70%
State Share:	\$25.55	30%
Average Recipient Share:	<u>\$12.50</u>	
	\$97.68	Average daily cost

Savings to General Fund  
for Delayed Institutionalization of Medical Recipients

State Medicaid Cost - One Year	\$9,325.75
State Cost for 200 Medicaid Recipients	\$1,865,150.00
Taxpayers Loss for 200 at Full Value	\$400,000.00
Potential Savings to General Fund	\$1,465,150.00

New Table (Table 2) for Married Filing Joint (and Married Filing Separate\*):

If the amount on Line 6 (Federal Taxable Income) is:

<u>Over</u>	<u>But Not Over</u>	<u>Decimal Amount Is:</u>
\$ 0	\$50,000	.30
50,000	52,000	.29
52,000	54,000	.28
54,000	56,000	.27
56,000	58,000	.26
58,000	60,000	.25
60,000	62,000	.24
62,000	64,000	.23
64,000	66,000	.22
66,000	68,000	.21
68,000	No limit	.20

\*50% of decimal amount

1998 STATEHOUSE CONFERENCE ON AGING  
RESOLUTION NO. 2

A resolution supporting the expansion of home and community-based service availability.

**WHEREAS**, North Dakota is in the process of reforming the long-term care system to better respond to current as well as future service needs with the goal of providing options that will allow individuals to make choices that foster independence; and

**WHEREAS**, home and community-based services provide an opportunity to reduce the reliance on the use of institutional care by offering quality services in an alternative system; and

**WHEREAS**, the availability of in-home care providers in rural areas may be limited and potential providers may lack the skills necessary to meet required competency standards and training opportunities are limited which may require individuals to choose between relocating to access services or going without necessary services; and

**WHEREAS**, expanded training of in-home care providers could enhance the availability and improve the quality of home and community-based services; and

**WHEREAS**, adequate funding is needed to support the home and community-based service delivery system;

**NOW, THEREFORE, BE IT RESOLVED BY THE 1998 NORTH DAKOTA STATEHOUSE CONFERENCE ON AGING:**

That the 1999 North Dakota State Legislature support the expansion of home and community-based services through continued exploration of options to provide services in all areas of the state and options for training additional in-home care providers, as well as provide adequate funding to support the home and community-based service delivery system.

Dated this 9<sup>th</sup> day of October, 1998

  
\_\_\_\_\_  
Carole Watrel, Chair  
Governor's Committee on Aging





## Anne Carlsen Center for Children

*Making a difference in the lives  
of children with special needs*

Testimony in regards to House Bill No. 1474

Chairman, Sub-Committee Members and distinguished guess. My name is Mike Gillen, Administrator of the Anne Carlsen Center for Children. The Anne Carlsen Center for Children is a licensed ICF/MR and serves children and adults with a wide variety of Medical, Behavioral, Educational and Developmental needs.

The Center has served individuals with disabilities for almost 60 years. Over those 60 years an on-going fallacy has been supported again and again by legislators, government agencies, providers, and civic leaders. That fallacy is that disabled people cannot care for themselves and need programs to support them throughout their daily lives. This is not only a fallacy but a counter-productive attitude that promotes independence on programs and supportive services.

I firmly believe and have seen many times that people with disabilities can function very well in society without programs, but with resources that they choose. House Bill 1474 gives them several things resources to choose and use at their discretion and to the level they choose. House Bill 1474 also gives them the right to care for themselves in a manner they choose. Respect, dignity and independence are values each of us expect every day of our lives, it should be no different for people with disabilities.

House Bill 1474 is well written and the guidelines will prevent subsequent abuses that exist within some entitlement programs. I am in support of house Bill 1474 and would request each of you to support it as well.

Sincerely,

Michael J. Gillen  
Administrator  
Anne Carlsen Center for Children

TESTIMONY  
Introduction of HB 1474

Prepared by Representative Carol A. Niemeier

Monday, February 15, 1999

Chairman Urlacher and Members of the Senate Finance and Taxation Committee. For the record, I am Representative Carol Niemeier, District 20, Buxton. I am here to present HB 1474 which allows an income tax credit for vouchered expenses incurred in the care of certain family members. The original bill was passed into Code in the 1997 session. It's intent being to preserve the dignity of the individual, protect the fabric of families, and provide assistance for caregiving while being fiscally responsible. This amended version seeks to improve its usage and administration by the Tax Department.

The need is significant and will also be attested to by the testimony to follow.

1. We have an aging population who would prefer to remain in their homes as long as possible.
2. Family guardians are often fully employed and must hire community services for care-giving.
3. Nursing home costs may exhaust estate resources and residents require Medicaid benefits.
4. Long-term care is the largest part of the Human Services budget. Over fifty percent of nursing home residents (3,700) are on Medicaid.

Please note the amended areas. Section I raises the taxable income by \$5,000 for a single or married family member to permit more qualifiers. In the last year, eleven applicants were allowed.

In Section I, IV, and V, the change includes filing a joint return.

In subsection 5.c, a waiver of secrecy provisions is included, addressing the prorating requirement.

Uncompensated care is being provided by families across our state. These people are heroes. The elderly and handicapped are heroes for their courage and endurance. This bill impacts sons, daughters, and spouses who bear the time, expense, and effort of allowing a loved one to remain in the comfort and familiar surroundings of their home.

1999 is the designated International Year of Older Persons. An incentive for community-based care is one way to honor them.

Thank you for your consideration.

Respectfully submitted by:

Representative Carol A. Niemeier

## FISCAL IMPACT OF HB 1474

Monday, February 15, 1999  
Representative Carol A. Niemeier

### Breakdown of Medicaid Nursing Facility Rate

Federal Share:	\$59.63	70%
State Share:	\$25.55	30%
Average Recipient Share:	<u>\$12.50</u>	
	\$97.68	Average daily cost

### Savings to General Fund for Delayed Institutionalization of Medical Recipients

State Medicaid Cost - One Year	\$9,325.75
State Cost for 200 Medicaid Recipients	\$1,865,150.00
Tax Loss for 200 at Full Value	\$400,000.00
Potential Savings to General Fund	\$1,465,150.00

North Dakota Schedule FC
Schedule For Computing Family Member Care Credit
Attach to Form 37-S or Form 37

Number(s) shown on return
Social security number

- Use this schedule to determine your eligibility for, and the amount of, the credit.
If you paid qualified care expenses for more than one qualifying family member, you must complete a separate Schedule FC for each qualifying family member.
See the instructions on the other side of this schedule for definitions of qualifying family member and qualified care expenses.

Part 1 - Do you qualify for the credit?

Answer the questions below (by checking either YES or NO) to see if you qualify for the family member care credit.

Qualifying family member criteria

- 1. Is the family member related to you by blood or marriage?
2. Is the family member at least 65 years old or determined to be disabled by the Social Security Administration?
3. If the family member is not married, is the family member's federal taxable income equal to or less than \$15,000? If the family member is married, is the total federal taxable income of the family member and the family member's spouse equal to or less than \$30,000?

Table with 2 columns: YES, NO. Rows 1, 2, 3.

Taxpayer's federal taxable income limitation

- 4. If your Filing status (on the front of Form 37-S or Form 37) is Single or Married filing joint or Head of household or Qualifying widow(er), is your federal taxable income less than \$52,000? If your Filing status is Married filing separately, is your separate federal taxable income for North Dakota purposes less than \$26,000?
If you answered YES to ALL of the questions, go to Part 2 - Computation of the credit.
If you answered NO to any of the questions, you are not eligible for the credit. Do not complete the rest of this schedule.

Table with 2 columns: YES, NO. Row 4.

Part 2 - Computation of the credit

Name of qualifying family member
Social security number of qualifying family member

- 5. Qualified care expenses paid by you during the tax year (for the qualifying family member identified above) (Attach a statement listing and identifying the qualified care expenses you paid) (FA)
6. Your federal taxable income (from line 39, Form 1040 or line 24, Form 1040A or line 6, Form 1040EZ or line J, TeleFile Worksheet) (FB)
7. Decimal amount (from table below) (If your Filing status is Married filing separately, enter one half of the decimal shown in the table) (FC)

TABLE 1 - Single, Head of Household, and Qualifying Widower

Table with columns: If the amount on line 6 is: Over, But not over; Decimal amount is:; If the amount on line 6 is: Over, But not over; Decimal amount is:.

See attached for new table applicable to Married Filing Joint and Married Filing Separately.

- 8. Multiply line 5 by line 7 (FD)
9. Maximum credit allowed per qualifying family member. Enter \$2,000 if Single or Married filing joint or Head of household or Qualifying widow(er) OR \$1,000 if Married filing separately (FE)
10. Enter smaller of line 8 or line 9 OR \$70,000, if Married Filing Joint (FF)
11. Federal taxable income limit. Enter \$50,000 if Single or Married filing joint or Head of household or Qualifying widow(er) OR \$25,000 if Married filing separately (FG)
12. Subtract line 11 from line 6 (If less than -0-, enter -0-) \$36,000 (FH)
13. Tentative family member care credit (Subtract line 12 from line 10) (If less than -0-, enter -0-) If zero, you are not eligible for the credit; otherwise, see below for the amount you may enter on your return (FI)

IMPORTANT

You may not be able to claim the full amount of the credit shown on line 13 if either or both of the following apply:
- You completed a Schedule FC for more than one qualifying family member.
- One or more other taxpayers are claiming this credit for the same qualifying family member.
If either or both of the above apply, check the appropriate box(es) below and see "Limitations on credit" in the instructions. Otherwise, enter the amount from line 13 in the Schedule FC box on line 11 of Form 37-S or on line 7, Tax Computation Schedule, Form 37.
[ ] Check this box if you've completed and attached more than one Schedule FC
[ ] Check this box if one or more other taxpayers are claiming this credit for the same qualifying family member

**Eligibility for credit**

If you paid qualified care expenses for a qualifying family member during the tax year, you must be able to take the family member care credit tax credit. See **Qualified care expenses** and **Qualifying family member** below. If you qualify for the credit, you must complete this schedule and attach it to your return.

*This credit is allowed on Form 37-S (Short Form) and Form 37 (Long Form).*

*You must attach a statement listing and identifying the qualified care expenses you paid during the tax year. In the case where the expense is for services, you must also identify the person or organization that performed the services.*

*If you paid qualified care expenses for more than one qualifying family member, you must complete a separate Schedule FC for each qualifying family member.*

**Qualified care expenses**

Qualified care expenses means expenses for home health agency services, companionship services (see below), personal care attendant services, homemaker services, adult day care, respite care, health care equipment and supplies, and other expenses for goods and services which are:

1. Necessary to avoid the placement of a qualifying family member in a long-term care facility;
2. Provided to or for the benefit of (or needed by the taxpayer to care for) a qualifying family member;
3. Provided by an organization or individual not related to the taxpayer or the qualifying family member; and
4. Not compensated for by insurance or a federal or state assistance program.

\$20,000 → a. \$15,000 if not married; or  
 \$35,000 → b. \$30,000 if married (both spouses incomes must be included.)

**Companionship services.** Companionship services means services that provide fellowship, care and protection for a person who is unable to care for his or her own needs because of advanced age or a physical or mental disability. These services include household work directly related to the care of the aged or disabled person, such as meal preparation, bed making, washing clothes and other similar services. These services may also include household work not directly related to the care of the aged or disabled person if the time it takes to do this work during any week does not exceed 20% of the total hours worked during that same week.

Companionship services **do not** include services which require and are performed by trained personnel, including a registered or practical nurse, or services to care for and protect infants and children who are not physically or mentally disabled.

**Qualifying family member**

A qualifying family member is a person who:

1. Is related to you by blood or marriage;
2. Is either at least 65 years old or disabled as determined by the Social Security Administration; and
3. Has a federal taxable income equal to or less than:

*The taxpayer and the qualifying family member may not be the same person.*

**Limitations on credit**

You may not be able to claim the full amount of the family member care credit that you compute on this schedule if:

1. You completed a Schedule FC for more than two qualifying family members (see

2. One or more other taxpayers are also claiming the family member care credit for the same qualifying family member (see **Multiple taxpayers** below).

**More than two qualifying family members.** The maximum credit that may be claimed is \$2,000 per qualifying family member, up to a maximum credit of \$4,000 for two or more qualifying family members. Therefore, if you pay qualified care expenses for more than two qualifying family members, the maximum credit you may claim is \$4,000. (If you are married and are required to file a separate North Dakota return, the maximum credit that you may claim is \$1,000 per qualifying family member, up to a maximum credit of \$2,000 for two or more qualifying family members.)

**Multiple taxpayers.** If, in addition to yourself, one or more other taxpayers are also claiming the family member care credit for the same qualifying family member, you must complete the **Multiple Taxpayer Schedule** (below) to identify the other taxpayers and, if necessary, recompute the amount of credit that you are allowed. If the total credits separately computed by you and the other taxpayers with respect to the same qualifying family member exceeds \$2,000, the separately computed credits must be disregarded, and the amount of credit allowable to each taxpayer must be determined by multiplying \$2,000 by the ratio that each taxpayer's payments for qualified care expense bears to the total payments for qualified care expenses made by all taxpayers. *If more than two taxpayers are claiming the credit for the same qualifying family member, attach additional schedules as needed.*

*If you are required to complete the Multiple Taxpayer Schedule below, attach the schedule to your return.*

**Multiple Taxpayer Schedule**

1. Name of qualifying family member .....			
2. Social security number of qualifying family member .....			
	<b>Taxpayer 1</b>	<b>Taxpayer 2</b>	<b>Total</b>
3. Name of taxpayer .....			
4. Social security number of taxpayer .....			
5. Amount of family member care credit computed by taxpayer (from line 13, Schedule FC) .....			
<ul style="list-style-type: none"> <li>• If the total of the credits (on line 5) for all taxpayers is equal to or less than \$2,000, do not complete the rest of this schedule. Each taxpayer is allowed to claim the amount of the credit computed on the taxpayer's separate Schedule FC.</li> <li>• If the total of the credits (on line 5) for all taxpayers exceeds \$2,000, complete lines 6 through 8 below to determine the amount of credit allowed to each taxpayer.</li> </ul>			
6. Qualified care expenses (from line 5, Schedule FC) .....			
7. Percentage (Divide each taxpayer's expenses on line 6 by the total expenses of all taxpayers on line 6) .....	%	%	100%
8. Allowable family member care credit (Multiply \$2,000 by each taxpayer's percentage on line 7) .....			<b>\$2,000</b>

New table for *Married filing joint*:

If the amount on line 6 is:		Decimal amount is:
Over	But not over	
\$ 0	\$ 35,000	.30
35,000	37,000	.29
37,000	39,000	.28
39,000	41,000	.27
41,000	43,000	.26
43,000	45,000	.25
45,000	47,000	.24
47,000	49,000	.23
49,000	51,000	.22
51,000	53,000	.21
53,000	No limit	.20