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HOUSE BILL NO. 2193

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Finance
on February 3, 1999)

(Patrons Prior to Substitute—Delegates Tate, Darner [HB 1478], Deeds [HB 1509] and Hall [HB 2742])

A BILL to amend the Code of Virginia by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.6, relating to creation of a tax credit for caregivers.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 3 of Chapter 3 of Title 58.1 a section numbered 58.1-339.6 as follows:

§ 58.1-339.6. Tax credit for individuals providing care for an impaired elderly relative.

A. For taxable years beginning on and after January 1, 2000, any individual who provides care for an impaired elderly relative shall be entitled to a \$500 credit against the tax imposed pursuant to § 58.1-320. Only one credit shall be allowed annually for each impaired elderly relative receiving care under the provisions of this section. Multiple taxpayers providing care to the same elderly impaired relative shall allocate the \$500 credit as mutually agreed. No individual shall be allowed a credit, or any portion thereof, for providing care to more than one impaired elderly relative.

B. For purposes of this section:

"Activities of daily living" means bathing, dressing, toileting, transferring, bowel control, bladder control, and eating/feeding.

"Care for an impaired elderly relative" means conducting, or providing necessary assistance for the conduct of, the activity or activities of daily living with which the impaired elderly relative requires assistance.

"Elderly relative" means a spouse, father, mother, grandfather, or grandmother who has attained age sixty.

"Impaired elderly relative" means an elderly relative who (i) requires assistance with one or more activities of daily living during more than half the year, (ii) is eligible for placement in an assisted-living facility or a nursing home or to receive community long-term care services, and (iii) resides either in the home of the individual claiming the tax credit under this section or in his own home. An elderly relative who is receiving Medicaid-reimbursed community long-term care services or living in a nursing home or other assisted living facility where assistance with one or more activities of daily living is already provided and the cost of such assistance is included in the monthly bill or rental fee shall not qualify as an impaired elderly relative.

C. Any single individual or husband and wife, whether filing a joint return or a separate return, whose Virginia adjusted gross income exceeds \$50,000 shall be ineligible for the credit provided by this section.

D. Any taxpayer applying for the tax credit pursuant to this section shall affirm, by signing and submitting his tax return, that the impaired elderly relative for whom he provided care satisfies the requirements therefor.

2. That the provisions of this act shall be effective for taxable years beginning on and after January 1, 2000, unless one or more of the events listed in subsection C of § 58.1-3524 has occurred prior to such date. If any one of these events occurs before January 1, 2000, this act shall not become effective for taxable years beginning on and after January 1, 2000, but shall instead become effective for taxable years beginning on and after January 1 of the first year thereafter when none of the events listed in subsection C of § 58.1-3524 have occurred during the immediately preceding calendar year.