

REFERENCE TITLE: tax credit; care giving expenses

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
First Regular Session  
2023

## **HB 2715**

Introduced by  
Representatives Hernandez M: Aguilar, Cano, Contreras L, Hernandez A,  
Hernandez C, Hernandez L, Ortiz, Quiñonez, Sandoval, Stahl Hamilton,  
Travers

AN ACT

AMENDING SECTION 43-222, ARIZONA REVISED STATUTES; AMENDING TITLE 43,  
CHAPTER 10, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION  
43-1080; RELATING TO INDIVIDUAL INCOME TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 43-222, Arizona Revised Statutes, is amended to  
3 read:

4 43-222. Income tax credit review schedule

5 The joint legislative income tax credit review committee shall  
6 review the following income tax credits:

7 1. For years ending in 0 and 5, sections 43-1079.01, 43-1088,  
8 43-1089.04, 43-1167.01 and 43-1175.

9 2. For years ending in 1 and 6, sections 43-1072.02, 43-1074.02,  
10 43-1075, 43-1076.01, 43-1077, 43-1078, 43-1083, 43-1083.02, 43-1162,  
11 43-1164.03 and 43-1183.

12 3. For years ending in 2 and 7, sections 43-1073, 43-1082, 43-1085,  
13 43-1086, 43-1089, 43-1089.01, 43-1089.02, 43-1089.03, 43-1164,  
14 43-1165, and 43-1181.

15 4. For years ending in 3 and 8, sections 43-1074.01, 43-1080,  
16 43-1168, 43-1170 and 43-1178.

17 5. For years ending in 4 and 9, sections 43-1073.01, 43-1081.01,  
18 43-1083.03, 43-1084, 43-1164.04, 43-1164.05 and 43-1184.

19 Sec. 2. Title 43, chapter 10, article 5, Arizona Revised Statutes,  
20 is amended by adding section 43-1080, to read:

21 43-1080. Generational income tax credit; definition

22 A. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2023 AND  
23 SUBJECT TO THE TERMS AND CONDITIONS OF THIS SECTION, A CREDIT IS ALLOWED  
24 AGAINST THE TAXES IMPOSED BY THIS CHAPTER FOR TAXPAYERS WHO INCUR  
25 QUALIFYING EXPENSES DURING THE TAXABLE YEAR FOR THE CARE AND SUPPORT OF  
26 QUALIFYING FAMILY MEMBERS IN THE TAXPAYER'S HOME.

27 B. TO QUALIFY FOR THE CREDIT UNDER THIS SECTION:

28 1. THE TAXPAYER MUST FILE A RETURN AS A RESIDENT OF THIS STATE.

29 2. THE TAXPAYER'S ARIZONA GROSS INCOME IN THE TAXABLE YEAR MAY NOT  
30 EXCEED:

31 (a) \$200,000 IN THE CASE OF A SINGLE PERSON OR A MARRIED PERSON  
32 FILING SEPARATELY.

33 (b) \$400,000 IN THE CASE OF A MARRIED COUPLE FILING A JOINT RETURN.

34 3. THE TAXPAYER MUST INCUR QUALIFYING EXPENSES DURING THE TAXABLE  
35 YEAR FOR THE CARE OF ONE OR MORE QUALIFYING FAMILY MEMBERS.

36 C. THE AMOUNT OF THE CREDIT IS EQUAL TO FIFTY PERCENT OF THE  
37 QUALIFYING EXPENSES INCURRED DURING THE TAXABLE YEAR BUT NOT MORE THAN  
38 \$1,000.

39 D. FOR THE PURPOSES OF THIS SECTION:

40 1. QUALIFYING EXPENSES MUST RELATE DIRECTLY TO THE CARE OR SUPPORT  
41 OF A QUALIFYING FAMILY MEMBER AND INCLUDE:

42 (a) THE IMPROVEMENT OR ALTERATION OF THE TAXPAYER'S PRIMARY  
43 RESIDENCE, WHETHER OWNED OR RENTED BY THE TAXPAYER, TO ENABLE OR ASSIST  
44 THE QUALIFYING FAMILY MEMBER TO BE MOBILE, SAFE OR INDEPENDENT.

1 (b) THE PURCHASE OR LEASE OF EQUIPMENT TO ENABLE OR ASSIST THE  
2 QUALIFYING FAMILY MEMBER TO CARRY OUT ONE OR MORE ACTIVITIES OF DAILY  
3 LIVING.

4 (c) THE ACQUISITION OF OTHER GOODS, SERVICES OR SUPPORT TO ASSIST  
5 THE TAXPAYER IN CARING FOR THE QUALIFYING FAMILY MEMBER, INCLUDING  
6 EMPLOYING A HOME CARE AIDE OR PERSONAL CARE ATTENDANT OR SECURING ADULT  
7 DAY CARE, TRANSPORTATION, LEGAL OR FINANCIAL SERVICES OR ASSISTIVE CARE  
8 TECHNOLOGY.

9 2. QUALIFYING EXPENSES DO NOT INCLUDE:

10 (a) ORDINARY HOUSEHOLD MAINTENANCE OR REPAIR THAT IS NOT DIRECTLY  
11 RELATED TO AND NECESSARY FOR THE CARE OF THE QUALIFYING FAMILY MEMBER.

12 (b) ANY AMOUNT THAT IS PAID OR REIMBURSED BY INSURANCE OR BY THE  
13 FEDERAL GOVERNMENT, THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE.

14 3. IN THE CASE OF MARRIED PERSONS FILING SEPARATELY, ONLY ONE  
15 SPOUSE MAY CLAIM THE CREDIT UNDER THIS SECTION.

16 4. IF MORE THAN ONE TAXPAYER QUALIFIES FOR CREDIT UNDER THIS  
17 SECTION WITH RESPECT TO THE SAME QUALIFYING FAMILY MEMBER IN THE SAME  
18 TAXABLE YEAR, THE AMOUNT OF THE CREDIT, WITHIN THE LIMITS PRESCRIBED BY  
19 SUBSECTION C OF THIS SECTION, SHALL BE APPORTIONED BETWEEN OR AMONG THE  
20 QUALIFYING TAXPAYERS ACCORDING TO THE RESPECTIVE EXPENSE AMOUNTS INCURRED.

21 E. IF THE ALLOWABLE AMOUNT OF THE CREDIT EXCEEDS THE TAXES  
22 OTHERWISE DUE UNDER THIS TITLE ON THE CLAIMANT'S INCOME, OR IF THERE ARE  
23 NO TAXES DUE UNDER THIS TITLE, THE TAXPAYER MAY CARRY THE AMOUNT OF THE  
24 CLAIM NOT USED TO OFFSET TAXES UNDER THIS TITLE FORWARD FOR NOT MORE THAN  
25 FIVE TAXABLE YEARS' INCOME TAX LIABILITY.

26 F. FOR THE PURPOSES OF THIS SECTION, "QUALIFYING FAMILY MEMBER"  
27 MEANS AN INDIVIDUAL WHO MEETS ALL OF THE FOLLOWING REQUIREMENTS:

28 1. IS AT LEAST EIGHTEEN YEARS OF AGE DURING THE TAXABLE YEAR.

29 2. REQUIRES ASSISTANCE WITH ONE OR MORE DAILY LIVING ACTIVITIES.

30 3. IS THE TAXPAYER'S SPOUSE OR THE TAXPAYER'S OR SPOUSE'S  
31 DESCENDANT, STEPCHILD, PARENT, STEPPARENT, GRANDPARENT, SIBLING, UNCLE OR  
32 AUNT, WHETHER OF THE WHOLE OR HALF BLOOD OR BY ADOPTION.

33 Sec. 3. Purpose

34 Pursuant to section 43-223, Arizona Revised Statutes, the  
35 legislature enacts section 43-1080, Arizona Revised Statutes, as added by  
36 this act, to mitigate the costs incurred by taxpayers who provide  
37 unreimbursed care in their homes for their adult family members who  
38 require assistance in their daily activities.