

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO TAXATION - PERSONAL INCOME TAX CREDIT

Introduced By: Senators Britto, Gu, Lawson, DiMario, Mack, DiPalma, Ciccone,  
Kallman, Acosta, and LaMountain

Date Introduced: March 07, 2023

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by  
2 adding thereto the following chapter:

3 CHAPTER 31.4

4 FAMILY CAREGIVER INCOME TAX CREDIT

5 **44-31.4-1. Short title.**

6 This chapter shall be known and may be cited as the "Family Caregiver Income Tax Credit  
7 Act".

8 **44-31.4-2. Definitions.**

9 For the purposes of this chapter:

10 (1) "Family caregiver income tax credit" means a credit that is allowed against the taxes  
11 imposed by chapter 30 of title 44 for a taxpayer who incurs qualifying expenses during the taxable  
12 year for the care and support of a qualifying family member in the taxpayer's home.

13 (2) "Qualifying family member" means an individual who meets all of the following  
14 requirements:

15 (i) Is at least eighteen (18) years of age during the taxable year;

16 (ii) Requires assistance with one or more daily activities, as certified by a physician, who  
17 is licensed pursuant to chapter 37 of title 5;

18 (iii) Is the taxpayer's spouse or the taxpayer's or spouse's descendant, stepchild, parent,  
19 stepparent, ancestor, sibling, uncle or aunt, whether of the whole or half blood or by adoption.

1           **44-31.4-3. Eligibility for credit.**

2           (a) To qualify for the credit under this section:

3           (1) The taxpayer must file a return as a resident of this state.

4           (2) The taxpayer's Rhode Island gross income in the taxable year may not exceed:

5           (i) Seventy-five thousand dollars (\$75,000) in the case of a single person or a married  
6 person filing separately.

7           (ii) One hundred fifty thousand dollars (\$150,000) in the case of a married couple filing a  
8 joint return.

9           (3) The taxpayer must incur qualifying expenses during the taxable year for the care of one  
10 or more qualifying family members.

11           (b) If more than one taxpayer qualifies for credit under this chapter, with respect to the  
12 same qualifying family member in the same taxable year, the amount of the credit, within the limits  
13 prescribed by this section, shall be apportioned between or among the qualifying taxpayers  
14 according to the respective expense amounts incurred.

15           **44-31.4-4. Calculation of credit.**

16           The amount of the credit shall be equal to fifty percent (50%) of the qualifying expenses  
17 incurred during the taxable year, but not more than one thousand dollars (\$1,000).

18           **44-31.4-5. Qualifying expenses.**

19           (a) To receive credit for a qualifying expense it:

20           (1) Must relate directly to the care or support of a qualifying family member and include:

21           (i) The improvement or alteration of the taxpayer's primary residence, whether owned or  
22 rented by the taxpayer, to enable or assist the qualifying family member to be mobile, safe or  
23 independent.

24           (ii) The purchase or lease of equipment to enable or assist the qualifying family member to  
25 carry out one or more daily living activities.

26           (iii) The acquisition of other goods, services or support to assist the taxpayer in caring for  
27 the qualifying family member, including employing a home care aide or personal care attendant or  
28 securing adult day care, transportation, legal or financial services or assistive care technology.

29           (b) Qualifying expenses do not include:

30           (1) Regular food, clothing or transportation expenses or gifts provided to the qualifying  
31 family member.

32           (2) Ordinary household maintenance or repair that is not directly related to and necessary  
33 for the care of the qualifying family member.

34           (3) Any amount that is paid or reimbursed by insurance or by the federal government, this

1 state or a political subdivision of this state.

2 **44-31.4-6. Filing limitation.**

3 In the case of married persons filing separately, only one spouse may claim the credit under  
4 this chapter

5 **44-31.4-7. Carry-over prohibited.**

6 If the allowable amount of the credit exceeds the taxes otherwise due under this title for  
7 the taxable year, the unused amount of the credit is waived, and may not be refunded, carried  
8 forward or otherwise used to offset taxes.

9 **44-31.4-8. Effective date.**

10 This chapter shall take effect for income taxable years from and after December 31, 2023.

11 SECTION 2. This act shall take effect upon passage and shall apply to income taxable  
12 years from and after December 31, 2023.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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1           This act would establish a new personal income tax credit for individuals who incur  
2 expenses caring for a relative that requires assistance with one or more daily living activities as  
3 certified by a license physician.

4           This act would take effect upon passage and would apply to taxable years from and after  
5 December 31, 2023.

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