OLR Bill Analysis
HB 7071

AN ACT PROVIDING AN INCOME TAX DEDUCTION FOR INDIVIDUALS CARING FOR ELDERLY PERSONS, CHILDREN OR DISABLED PERSONS.

SUMMARY

This bill establishes state income tax deductions for the cost of ordinary and necessary expenses in caring for certain qualifying relatives. It allows taxpayers to deduct these costs from their Connecticut adjusted gross income (AGI), to the extent not deductible in determining federal AGI, in amounts up to:

1. $60,000 for full-time home health care costs for the care of (a) someone age 70 or older related to the taxpayer by blood, adoption, or marriage, and (b) a qualifying spouse or dependent who is physically or mentally incapable of caring for himself or herself and meets certain other conditions; and

2. $3,000 for the care of a qualifying child under age 13 who is the taxpayer’s dependent for federal income tax purposes.

EFFECTIVE DATE: Upon passage and applicable to tax years beginning on or after January 1, 2019.

HOME HEALTH CARE COST DEDUCTIONS

In order to qualify for the home health care deductions under the bill, the taxpayer must have paid or incurred costs for:

1. someone age 70 or older related to the taxpayer by blood, adoption, or marriage;

2. a spouse who is physically or mentally incapable of caring for himself or herself and lived in the taxpayer's home for more than half of the tax year; or
3. a qualifying child or relative who is physically or mentally incapable of caring for himself or herself, lived in the taxpayer's home for more than half of the tax year, and either (a) was a dependent for federal income tax purposes or (b) could have been, except that he or she had gross income that equals or exceeds $4,150, filed a joint return, or could have been claimed as a dependent on someone else's tax return.

Under the bill, the deductions apply to full-time home health care costs, including medical supplies and in-home services provided by homemaker-home health aides and other home health care agencies.

Under federal law, a person is physically or mentally incapable of self-care if, as a result of a physical or mental defect, he or she is incapable of caring for his or her hygiene or nutritional needs, or requires another person’s full-time attention for his or her own safety or the safety of others. The inability to engage in any substantial gainful activity, perform normal household functions, or care for minor children due to a physical or mental condition does not establish that the individual is incapable of self-care (26 CFR § 1.21-1(b)(4)).

**COMMITTEE ACTION**

Aging Committee

Joint Favorable

Yea 10  Nay 1  (02/26/2019)