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REFERENCE TITLE: tax credit; elderly care; dependents

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
First Regular Session  
2005

## **HB 2506**

Introduced by  
Representatives Cajero Bedford, Lopez L, Miranda B, Senator Miranda:  
Representatives Aguirre A, Alvarez, Anderson, Boone, Bradley, Brown,  
Downing, Gallardo, Paton, Prezelski, Stump, Tom, Senators Garcia, Gray

AN ACT

AMENDING SECTION 43-222, ARIZONA REVISED STATUTES; AMENDING TITLE 43, CHAPTER 10, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-1073.01; RELATING TO INDIVIDUAL INCOME TAX CREDITS.

(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 Each year the joint legislative income tax credit review committee  
6 shall review the following income tax credits:  
7 1. In 2004, sections 43-1081.01, 43-1083, 43-1084 and 43-1170.01.  
8 2. In 2005, sections 43-1087, 43-1088 and 43-1175.  
9 3. In 2006, sections 43-1073, 43-1089, 43-1089.01, 43-1089.02,  
10 43-1090, 43-1176 and 43-1181.  
11 4. In 2007, sections 43-1077, 43-1078, 43-1079, 43-1080, 43-1165,  
12 43-1166, 43-1167 and 43-1169.  
13 5. In 2008, sections 43-1074.01, 43-1081, 43-1168, 43-1170 and  
14 43-1178.  
15 6. In 2009, sections 43-1076 and 43-1162.  
16 7. IN 2010, SECTION 43-1073.01.  
17 Sec. 2. Title 43, chapter 10, article 5, Arizona Revised Statutes, is  
18 amended by adding section 43-1073.01, to read:  
19 43-1073.01. Credit for dependent care services; definitions  
20 A. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2005, A  
21 CREDIT IS ALLOWED AGAINST THE TAXES IMPOSED BY THIS TITLE FOR A TAXPAYER WHO  
22 PAYS FOR SERVICES OF A CARE FACILITY THAT PROVIDES DIRECTED CARE SERVICES FOR  
23 A QUALIFIED DEPENDENT OF THE TAXPAYER. THE AMOUNT OF THE TAX CREDIT IS EQUAL  
24 TO THE COST OF THE SERVICES PAID BY THE TAXPAYER, BUT NOT TO EXCEED FIVE  
25 THOUSAND DOLLARS IN ANY TAXABLE YEAR.  
26 B. THE CREDIT IS ALLOWED IF THE FOLLOWING REQUIREMENTS ARE MET:  
27 1. THE TAXPAYER'S ANNUAL INCOME DOES NOT EXCEED EIGHTY THOUSAND  
28 DOLLARS.  
29 2. AT LEAST ONE-FOURTH OF THE ANNUAL COST OF PROVIDING SERVICES TO THE  
30 QUALIFIED DEPENDENT BY THE CARE FACILITY IS PAID DIRECTLY BY THE TAXPAYER.  
31 3. THE ANNUAL INCOME OF THE QUALIFIED DEPENDENT FOR WHOM THE TAXPAYER  
32 IS CLAIMING A CREDIT DOES NOT EXCEED ONE HUNDRED FIFTY PER CENT OF THE STATE  
33 INCOME STANDARD ESTABLISHED BY THE DIRECTOR OF THE ARIZONA HEALTH CARE COST  
34 CONTAINMENT SYSTEM ADMINISTRATION PURSUANT TO SECTION 36-2934, SUBSECTION C.  
35 C. THE AMOUNT OF THE CREDIT ALLOWED BY THIS SECTION SHALL NOT IN ANY  
36 CASE EXCEED THE AMOUNT OF TAX OTHERWISE DUE FROM THE TAXPAYER UNDER THIS  
37 TITLE FOR THE TAXABLE YEAR.  
38 D. FOR THE PURPOSES OF THIS SECTION:  
39 1. "CARE FACILITY" MEANS AN ASSISTED LIVING FACILITY OR A NURSING OR  
40 RESIDENTIAL CARE INSTITUTION THAT IS LICENSED PURSUANT TO TITLE 36,  
41 CHAPTER 4.  
42 2. "DIRECTED CARE SERVICES" MEANS PROGRAMS AND SERVICES THAT ARE  
43 PROVIDED TO PERSONS WHO ARE INCAPABLE OF RECOGNIZING DANGER, SUMMONING  
44 ASSISTANCE, EXPRESSING NEED OR MAKING BASIC CARE DECISIONS. DIRECTED CARE  
45 SERVICES INCLUDE PERSONAL CARE SERVICES.

1           3. "PERSONAL CARE SERVICES" MEANS ASSISTANCE WITH ACTIVITIES OF DAILY  
2 LIVING THAT CAN BE PERFORMED BY PERSONS WITHOUT PROFESSIONAL SKILLS OR  
3 PROFESSIONAL TRAINING AND INCLUDES THE COORDINATION OR PROVISION OF  
4 INTERMITTENT NURSING SERVICES AND THE ADMINISTRATION OF MEDICATIONS AND  
5 TREATMENTS BY A NURSE WHO IS LICENSED PURSUANT TO TITLE 32, CHAPTER 15.

6           4. "QUALIFIED DEPENDENT" MEANS A TAXPAYER'S SPOUSE, PARENT, SIBLING,  
7 GRANDPARENT, AUNT OR UNCLE WHO MEETS THE ELIGIBILITY CRITERIA PRESCRIBED IN  
8 SECTION 36-2934, SUBSECTIONS A AND B AND WHO IS IN NEED OF DIRECTED CARE  
9 SERVICES.

10          Sec. 3. Purpose

11           Pursuant to section 43-223, Arizona Revised Statutes, the legislature  
12 enacts section 43-1073.01, Arizona Revised Statutes, as added by this act, to  
13 encourage taxpayers to pay for the long-term directed care services of the  
14 taxpayers' dependents in order to reduce the number of persons being served  
15 by the Arizona long-term care system under title 36, chapter 29, article 2,  
16 Arizona Revised Statutes.