

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Committee Substitute

for

Senate Bill 697

By Senators Chapman, Bartlett, Woelfel, Rose, and

Willis

[Reported March 19, 2025, from the Committee on

Health and Human Resources]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new article, designated §11-29-1, §11-29-2, §11-29-3, and §11-29-4, relating to creating the Caregiver Tax Credit Act; defining the terms used throughout the article; listing the guidelines for implementation; authorizing rulemaking for the Department of Revenue; and providing an effective date of January 1, 2027.

Be it enacted by the Legislature of West Virginia:

ARTICLE	29.	CAREGIVER	TAX	CREDIT	ACT.
§11-29-1.		Short			Title.

This act shall be known and may be cited as the Caregiver Tax Credit Act.

§11-29-2.	Definitions.
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As used in this article:

(1) "Activities of daily living" means:

(A) Ambulating, which is the extent of an individual's ability to move from one position to another and walk independently;

(B) Feeding, which is the ability of an individual to feed oneself;

(C) Dressing, which is the ability to select appropriate clothes and to put the clothes on without aid;

(D) Personal hygiene, which is the ability to bathe and groom oneself and maintain dental hygiene and nail and hair care;

(E) Continence, which is the ability to control bladder and bowel function; and

(F) Toileting, which is the ability to get to and from the toilet without aid, using it appropriately, and cleaning oneself.

(2) "Eligible expenditure" means:

(A) An improvement or alteration to the family caregiver's or eligible family member's primary residence to permit the eligible family member to live in the residence and to remain mobile, safe, and independent;

17 (B) An improvement or alteration to the family caregiver's or eligible family member's
18 primary vehicle to improve accessibility or permit the eligible family member to be transported
19 safely;

20 (C) The family caregiver's purchase or lease of equipment, including, but not limited to,
21 durable medical equipment that is necessary to assist an eligible family member in carrying out
22 one or more activities of daily living; and

23 (D) Other paid or incurred expenses by the family caregiver that assist the family caregiver
24 in providing care to an eligible family member, such as expenditures related to:

25 (i) Hiring a home care aide or other direct care worker;

26 (ii) Respite care;

27 (iii) Adult day care;

28 (iv) Transportation;

29 (v) Legal and financial services;

30 (vi) Health care equipment; and

31 (vii) Assistive technology.

32 The eligible expenditure must be directly related to assisting the family caregiver in
33 providing care to an eligible family member. Eligible expenditure does not include the carrying out
34 of general household maintenance activities such as, but not limited to, painting, plumbing,
35 electrical repairs, or exterior maintenance. Eligible expenditures only include out-of-pocket
36 expenses that have not been reimbursed, credited, paid, or otherwise covered by another
37 individual, organization, provider, or government entity.

38 (3) "Eligible family member" means an individual who:

39 (A) Is 18 years of age or older;

40 (B) Is a dependent, spouse, parent, or other relation by blood or marriage to the family
41 caregiver;

42 (C) Lives in a private residential home and not in an assisted living center, nursing facility,

or residential care home; and

(D) Requires assistance with at least one activity of daily living, as certified by a licensed health care provider, as defined in §16-46-2 of this code.

(4) "Family caregiver" means an individual who:

(A) Is a resident individual for the taxable year, as defined in §11-21-7 of this code. If the resident taxpayer files a joint return, the term includes the individual and the individual's husband or wife as recognized by §11-21-11 of this code;

(B) Is providing care, which can include physical or financial support, for an eligible family member; and

(C) Has personally incurred uncompensated expenses directly related to the care of an eligible family member.

§11-29-3. **Implementation;** **rulemaking.**

(a) For taxable years beginning after January 1, 2027, the state shall allow a credit against the income tax imposed pursuant to §11-21-11 of this code in the amount of 50% for eligible expenditures incurred by a family caregiver for the support of an eligible family member.

(b) The maximum allowable credit authorized by this section is \$2,000.

(c) The credit authorized by §11-29-3 is a nonrefundable credit. The family caregiver shall not carry forward any unused amount of the credit.

(d) The West Virginia Department of Revenue shall promulgate rules necessary to implement and administer the credit authorized by this section.

§11-29-4. **Effective** **Date.**

This act shall become effective January 1, 2027.

NOTE: The purpose of this bill is to establish a tax credit for eligible family members providing caregiver services to an eligible family member.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.