
REVIEW OF FEDERAL AND STATE CAREGIVER TAX CREDIT LAWS AND BILLS

KEY POINTS

- Unpaid caregivers play a vital role in supporting older adults and people with disabilities to remain in their homes and communities. They often face substantial financial and emotional strain from the burden of caregiving. In response, federal and state policymakers have advanced proposals to offer targeted tax relief to caregivers.
- The House and Senate introduced the Credit for Caring Act of 2024 (CCA) (H.R. 7165; S. 3702), which proposes a new federal tax credit to offset the financial strain of unpaid caregiving.
- As of April 2025, in addition to the federal CCA, 15 states have introduced caregiver tax credit bills, and 5 states have enacted programs.
 - State caregiver tax credit programs vary widely in how much of qualified expenses for long-term services and supports (LTSS) they reimburse—from as little as 10% to as much as 100%—compared with the 30% proposed at the federal level. All programs cap the maximum credit amount, with the federal cap of \$5,000 and state caps ranging from \$150 to \$15,000 (with most falling between \$1,000 and \$5,000).
 - Like the federal proposal, most state caregiver tax credits are nonrefundable reducing tax liability but not providing a refund if there are no taxes owed.
 - The federal proposal requires that caregivers have minimum earned income of \$7,500; however, a similar provision is not included in any of the state bills or laws. Additionally, many proposed programs, including at the federal level, feature income-based phaseouts of the credits. These income thresholds range from \$25,000 to \$200,000 for single tax filers and from \$50,000 to \$400,000 for joint tax filers.
 - LTSS expenses eligible for the tax credits generally include goods, services, and supports, such as spending for personal care, assistive technology, environmental modifications, health maintenance tasks, transportation, and coordination of services. Caregiver expenses for respite care, counseling, training, and travel are also qualified expenses.
 - Care recipient eligibility criteria vary widely across programs, with differences in age thresholds, disability requirements, and definitions of LTSS need. Some programs cover care recipients of all ages, others set minimum age limits—ranging from 18 to 65—and impose additional conditions such as Social Security Disability Insurance qualification, assistance with activities of daily living, income limits, or specific living arrangements.
- With only five states having enacted caregiver tax credit programs, data on program uptake and utilization are limited. This lack of information to date poses challenges for both evaluating state program effectiveness and for predicting the potential impact of the proposed federal CCA.

BACKGROUND

Long-term services and supports (LTSS) assist individuals with functional limitations, such as older adults and people with disabilities, in performing everyday tasks. These include activities of daily living (ADLs), such as dressing, walking, and eating, and instrumental activities of daily living (IADLs), such as housekeeping, shopping, and managing medications. LTSS encompass a broad range of health, health-related, and social services in various settings, including institutional care and home- and community-based environments. A complex interplay of public spending (primarily Medicaid), private spending (e.g., out-of-pocket expenses paid by individuals and insurance claims paid by companies), and unpaid care provided by family and friends support the U.S. LTSS system. Americans who require LTSS for chronic health concerns, such as dementia or congenital pediatric conditions, rely on a complex patchwork of care, provided by both paid professionals and unpaid family or friends.

Unpaid caregivers provide an array of services to their loved ones, often including assistance with personal care, transportation to medical appointments, nutrition, and maintaining a stock of necessary supplies to meet the care recipients' needs. Although the value of unpaid care and out-of-pocket expenses incurred by unpaid caregivers is likely substantial, information on expenses associated with caregiving is limited and variable. Prior research has typically examined the amount of support provided to older adults (e.g., caregiving hours) rather than out-of-pocket expenses. For example, one study estimated that family caregivers of older adults spent an average of 17 hours per week on caregiving tasks (Wolff et al., 2025). Other research estimated that unpaid care accounts for nearly 50% of the value of support provided to older Americans, depending on LTSS needs (Favreault et al., 2023). To our knowledge, the AARP is one of the only sources to report out-of-pocket expenses incurred by unpaid caregivers regardless of the care recipient's medical condition, estimating that caregivers spend an average of \$7,200 per year on caregiving expenses. This estimate encompasses a wide range of caregiving-related expenses, including the care recipient's housing costs (such as rent or mortgage payments), as well as medical expenses, personal care, recreation, education, and legal services (Skufca & Rainville, 2021).

Caregiving is often associated with financial strain, although estimates of caregivers experiencing financial strain vary across studies. Strain may be a result of out-of-pocket expenses to support the care recipient, lost wages from time spent on caregiving tasks during employment hours, or a combination of these. For example, studies have found that 19%-57% of caregivers report financial strains such as stopping their savings, incurring debt, or being unable to afford household necessities because of their caregiving responsibilities (AARP & National Alliance for Caregiving, 2025; Burgdorf & Amjad, 2023; Palaza et al., 2024; Reinhard & Feinberg, 2020; Sadigh et al., 2022).

Tax credits are one approach that policymakers have explored to address the financial strain on caregivers. This brief describes current federal and state caregiver tax credit programs, both existing laws and active bills. These tax credits are meant to lessen the financial burden of unpaid caregiving. The following sections describe the recently proposed federal Credit for Caring Act (CCA) and compare this proposal with established and proposed state tax credits. The amount of the respective tax credits, eligibility, and other requirements are discussed, as well as the limited information on utilization.

The Credit for Caring Act of 2024

The extensive time commitments, out-of-pocket costs, and burdens of caregiving have led to bipartisan support at the federal level for assisting caregivers. The House and Senate introduced the CCA of 2024 (H.R. 7165; S. 3702) and reintroduced it on March 11, 2025 (CCA, 2024). The CCA would add a new federal tax credit to the tax code to offset the financial costs of caregiving. Characteristics of the CCA include:

- **Tax Credit Amount:** The CCA would reimburse eligible caregivers for up to 30% of qualifying caregiving expenses, and caregivers can claim a minimum credit of \$600 and a maximum credit of \$5,000 per year.
- **Refundability:** The CCA would be a nonrefundable tax credit, which can reduce tax liability to zero but cannot generate a tax refund.
- **Caregiver Eligibility:** To receive the tax credit, a caregiver must meet the following qualifications:
 - **Caregiver Relationship to the Care Recipient:** The caregiver must be a spouse, child, parent, or other relative (including in-laws) of a qualified care recipient who has a certified LTSS need.
 - **Caregiver Income:**
 - A caregiver must have earned income of more than \$7,500 during the tax year.
 - The amount of the tax credit is reduced on a sliding scale once taxpayers have modified adjusted gross income (AGI) above specified thresholds—\$150,000 for taxpayers filing joint returns and \$75,000 for all others. The maximum tax credit amount is reduced by \$100 for each \$1,000 (or fraction thereof) by which the taxpayer's modified AGI exceeds the threshold amount. This means that those with an AGI \$50,000 above the threshold would not be eligible for any tax credit.
 - **Caregiver Eligible LTSS Expenses:**
 - The amount of the tax credit is subject to having a minimum of \$2,000 in eligible caregiver expenses. The maximum LTSS expense eligible under the CCA is \$16,667 per year.
 - Qualified LTSS expenses include a broad array of goods, services, and supports that assist a care recipient to accomplish ADLs (as defined under HIPAA) and IADLs (as defined under the Social Security Act) but are not covered by health insurance programs. Qualified LTSS expenses include spending for personal care, assistive technology, environmental modifications, health maintenance tasks (e.g., medication management), transportation, and coordination of services. Caregiver expenses for respite care, counseling or training, and travel are also qualified expenses, as are lost wages for unpaid time off from work to support the care recipient.
- **Care Recipient Eligibility:** A qualified care recipient with LTSS needs must meet the following qualifications:
 - **Care Recipient Age:** Caregivers of care recipients of all ages are eligible.
 - **Care Recipient Level of Disability:** A physician, registered professional nurse, or licensed social worker must certify the LTSS need. For persons aged six and older, the definition of LTSS need largely follows that in the Health Insurance Portability and Accountability Act (HIPAA) of 1996: unable to perform (without substantial assistance from another person) at least two ADLs or severe cognitive impairment that requires substantial supervision. The definition of LTSS need for

children ages 2-6 is more limited: those unable to perform at least two of three ADLs (eating, transferring, mobility). For children younger than 2 years old, LTSS need is determined based on use of specific durable medical equipment or skilled health care.

Many caregivers provide hands-on support to people with LTSS needs and have no monetary expenses. For example, low-income caregivers are more likely to provide hands-on care themselves without spending money on additional resources or supports (Majerol, Tolbert, & Damico, 2016). These caregivers would not receive any benefit from the CCA as it is presently written because they have no caregiving expenses to report to the Internal Revenue Service (IRS).

How LTSS expenses will be documented is not specified in the CCA, but taxpayers who claim the credit must provide both the name and taxpayer identification number of the care recipient, and the name and taxpayer identification number of the licensed health care professional certifying the care recipient's LTSS need.

State Caregiver Tax Credits

Several states have also proposed or enacted caregiver tax credits to help offset a portion of caregivers' out-of-pocket costs. These state-based programs would provide tax credits only on state taxes, which typically yield smaller potential financial benefits when compared with federal tax credits, such as CCA. There is also significant variation in existing and proposed state-level caregiver tax credits, which we discuss below.

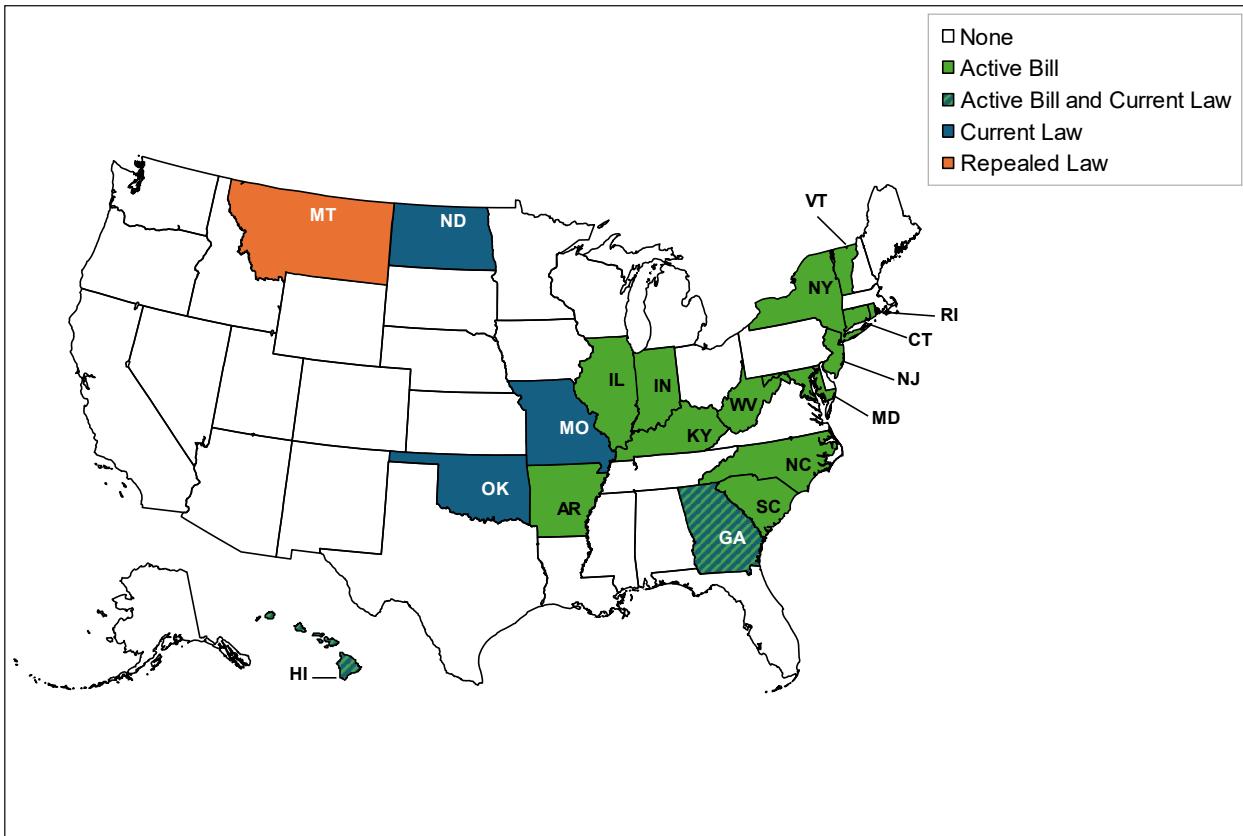
METHODS

We conducted online searches to identify existing and proposed state-level caregiver tax credits and created a summary table that reflects the state-level caregiver tax credit policy landscape as of April 2, 2025. We included caregiver tax credits that have been enacted into law, including those that have since been repealed, and bills that are actively under consideration. We excluded any bills that were proposed in prior years and failed to pass into law. We used features of the federal CCA as a point of reference for comparing state caregiving tax credit proposals and laws.

FINDINGS

Figure 1 shows the U.S. state caregiver tax credit policy landscape as of April 2, 2025, based on the information in **Table A1**.

Figure 1. Summary of Federal and State Caregiver Tax Credit Legislation (as of April 2, 2025)



We identified 5 states that currently provide a caregiver tax credit and 15 states that have an active bill proposing a caregiver tax credit. Two states (Georgia and Hawaii) have both proposed legislation and existing laws, and Montana previously had a caregiver tax credit law that was enacted in 1989 but was repealed after the 2021 tax year as part of a larger state tax reform effort to simplify the state's tax system.

Caregiver Tax Credit Amounts and Income Limits

Like the proposed federal tax credit, 18 states, including those with current or proposed legislation, offer or propose nonrefundable caregiver tax credits (**Table A1**). These may reduce a taxpayer's liability to zero but do not result in a refund. Among the bills currently under consideration, only Hawaii and New Jersey propose refundable tax credits, which allow a taxpayer's liability to fall below zero and result in a refund.

Compared with the federal proposal of 30%, the percentage of qualified LTSS expenses eligible for reimbursement in existing and proposed state programs varies from 10% (in Georgia and Montana) to 100% (in Illinois), with the most common percentage of reimbursed expenses of 50% (in six states)

(Table 1). Five states (Connecticut, Missouri, North Carolina, South Carolina, and Vermont) do not specify a reimbursement percentage.

Additionally, all bills and laws include a maximum allowable credit amount, which is \$5,000 at the federal level but ranges across the states from \$150 (in Georgia) to \$15,000 (in North Carolina). Fifteen states have an active or proposed maximum credit amount in the \$1,000 to \$5,000 range **(Table 1)**.

Unlike the federal proposal, none of the state-level bills or laws require a minimum earned income amount. Furthermore, bills and laws in six states do not specify the AGI maximum at which the credit amount begins to phase out. The remaining states, like the federal bill, include income-based phaseouts to concentrate support on families with limited financial resources **(Table 1)**. Most credits reduce eligibility once AGI surpasses a defined threshold, which varies by state and filing status. Common limits include \$75,000 for single filers and \$150,000 for joint filers, as seen in the proposed federal CCA and bills from Maryland and New York. Other states, such as New Jersey, North Dakota, and Rhode Island, set lower AGI thresholds, typically \$50,000 for single and \$100,000 for joint filers. Maryland is the only state that would require caregivers to have incurred a minimum amount (which is \$2,000) of qualified LTSS expenses during the taxable year to qualify for the credit. The same requirement is also included in the federal program, but not in any other state laws or bills.

Table 1. Summary of Federal and State Caregiver Tax Credit Amounts and Income Limits (as of April 2, 2025)

Federal/State	Percentage of LTSS Expenses Reimbursed	Maximum Credit Amount	Caregiver AGI Limit
Federal CCA	30% of expenses =>\$2,000	\$600 (for a minimum of \$2,000 in qualified LTSS expenses) to \$5,000	Credit reduced by \$100 for each \$1,000 over \$75,000 (for single filers) and \$150,000 (for joint filers).
Arkansas	50%	\$3,000 (veterans or dementia diagnosis) or \$2,000 (other relatives)	\$50,000 including spousal income
Connecticut	N/A	\$500	\$200,000 (single), \$400,000 (joint)
Georgia (law)	10%	\$150	N/A
Georgia (bill)	10%	\$1,000	N/A
Hawaii (law)	15–25% based on AGI	\$2,500 (1 dependent), \$5,000 (2+ dependents)	N/A
Hawaii (bill)	N/A	\$5,000	\$75,000 (single), \$125,000 (joint)
Illinois	100%	\$500	\$75,000 (single), \$150,000 (joint)
Indiana	N/A	\$10,000 (joint); \$5,000 (married filing separately)	N/A
Kentucky	50%	\$3,000 (veterans or dementia diagnosis) or \$2,000 (other relatives)	\$100,000 household income
Maryland	30% of expenses =>\$2,000	\$5,000	\$75,000 (single), \$150,000 (joint)
Missouri	N/A	\$500	N/A

Federal/State	Percentage of LTSS Expenses Reimbursed	Maximum Credit Amount	Caregiver AGI Limit
Montana	10–30% based on FTI and filing status	\$2,500 (married filing separately)–\$5,000 (single or joint)	\$25,000–\$50,000 depending on filing status
New Jersey	22.5%	\$675	\$50,000 (single), \$100,000 (joint)
New York	50%	\$3,500	\$75,000 (single), \$150,000 (joint)
North Carolina	N/A	\$15,000 (veterans); \$12,000 (other relatives)	\$75,000–\$150,000 depending on filing status
North Dakota	20-30% depending on FTI	\$1,000 (married filing separately)–\$2,000 (single, joint)	\$35,000 (married filing separately), \$50,000 (single, head of household), \$70,000 (joint)
Oklahoma	50%	\$3,000 (veterans or dementia diagnosis) or \$2,000 (other relatives)	\$50,000 (single), \$100,000 (joint)
Rhode Island	50%	\$1,000 per family	\$50,000 (single), \$100,000 (joint)
South Carolina	N/A	\$1,000	N/A
Vermont	N/A	\$1,000 (unpaid care for 12 months for 20+ hours/week)	Credit reduced by \$20 for each \$1,000 over \$125,000
West Virginia	50%	\$2,000	N/A

AGI = Adjusted Gross Income; CCA = Credit for Caring Act; FTI = federal taxable income; LTSS = long-term services and supports; N/A = not available.

Caregiver Tax Credit Eligibility

The federal CCA proposes that eligible caregivers must be a spouse or relative (including in-laws) of the care recipient. Generally, eligible caregivers in state programs must also be related to the care recipient by blood, marriage, adoption, or dependency, though Illinois expands its definition to include friends and neighbors (**Table 2**).

Most states, along with the federal CCA, define qualified LTSS expenses as out-of-pocket costs paid by the caregiver that are directly tied to providing care for a qualified recipient (**Table 2**). Common examples include home modifications that support mobility, safety, and independence of the care recipient; health care equipment and assistive technology purchases; and payments to a home care aide, personal care attendant, or respite care provider.

At the federal level, the LTSS need requirement varies by age of the care recipient. Active and proposed state caregiver credit programs also differ in their eligibility criteria for care recipients, particularly with respect to age and disability requirements (**Table 2**). In many cases, care recipient eligibility is based on a combination of age and disability status. Similar to the proposed federal CCA, active bills in 5 states (Hawaii, Indiana, North Carolina, Rhode Island*, and Vermont), existing laws in 2 states (Hawaii and North Dakota*), and Montana's* repealed law include care recipients of all ages but with differing LTSS

* CT, NJ, MT, ND, and RI require(d) the care recipient to qualify for SSDI to be eligible for the tax credit at this age.

need requirements. Most states require the care recipient to need help with at least one or two ADLs, as determined by a healthcare provider or federal disability standards.

Proposed legislation in Georgia**, Maryland, New York, and West Virginia limits eligibility to adult care recipients (ages 18 and older), while bills in Connecticut*, Illinois, and New Jersey* set the threshold at age 50 (**Table 2**). Additional proposals in Connecticut, New Jersey, and South Carolina and Missouri's current law establish eligibility at age 60. Arkansas, Georgia, and Kentucky have proposed bills, and Georgia and Oklahoma have laws, that require care recipients to be at least 62 years old. Finally, active legislation in Rhode Island and laws in North Dakota and (previously) Montana specify a minimum age of 65.

Some states apply further disability conditions at specific ages. In Connecticut, New Jersey, (previously) Montana, North Dakota, and Rhode Island, unpaid caregivers are only eligible if the care recipient qualifies for Social Security Disability Income (SSDI) at the stated minimum age; otherwise, a higher age threshold applies (**Table 2**).* In Georgia, individuals aged 18-61 are eligible only if they require assistance with at least one ADL.** In five states (Connecticut, Georgia, Indiana, Montana, and North Dakota) older adults are eligible without additional LTSS need requirements. North Carolina is the only state that does not impose any eligibility requirements on care recipients.

Additional eligibility parameters described in some state programs include living arrangements (e.g., residing in a private home or living with the caregiver), income limits, or restrictions on participation in Medicaid or similar assistance programs.

Table 2. Summary of Federal and State Caregiver Tax Credit Eligibility Requirements for Care Recipients (as of April 2, 2025)

Federal/State	Caregiver Relationship to Care Recipient	Care Recipient Age Requirement	Care Recipient LTSS Need Requirement	Other Care Recipient Eligibility Requirements
Federal CCA	Spouse or relative (Internal Revenue Code-defined)	0-2	Specific durable medical equipment or skilled care for severe health condition	None
		2-6	Two of three ADLs (eating, transferring, mobility)	
		6+	Two or more ADLs as defined by HIPAA or severe cognitive impairment	
Arkansas	Dependent, spouse, parent, or other relative	62+	Requires assistance with ≥ 2 ADLs	Must live in a private residential home
Connecticut	Relative	50-59	SSA-defined disability	None
		60+	None	

* CT, NJ, MT, ND, and RI require(d) the care recipient to qualify for SSDI to be eligible for the tax credit at this age.

** GA requires the care recipient to need assistance with one or more ADLs to be eligible the tax credit at this age.

Federal/State	Caregiver Relationship to Care Recipient	Care Recipient Age Requirement	Care Recipient LTSS Need Requirement	Other Care Recipient Eligibility Requirements
Georgia (law)	Related by blood, marriage, or adoption or dependent	18-61	SSA-defined disability	None
		62+	None	
Georgia (bill)	Related by blood, marriage, or adoption or dependent	18-61	Requires assistance with ≥ 1 ADLs and qualifies as a dependent of caregiver	None
			SSA-defined disability	
Hawaii (law)	Related by blood, marriage, or adoption or dependent	<13	Dependent of caregiver	None
		13+	Physical/mental incapacity	
Hawaii (bill)	Related by blood, marriage, or adoption or dependent	None	Requires assistance with ≥ 2 ADLs/IADLs or cognitive impairment needing supervision	Cannot be in long-term care or receive any comparable government or private home- and community-based care service
Illinois	Dependent, family, friend, neighbor	50+	Requires assistance with ≥ 1 ADL, certified by health care provider	None
Indiana	Spouse, child, grandchild, parent, or sibling	None	Ill or aging (general)	None
Kentucky	Family member by blood or marriage	62+	Requires assistance with ≥ 2 ADLs, certified by provider	None
Maryland	Immediate family member	18+	Requires assistance with ≥ 1 ADL, certified by provider	None
Missouri	Relative	60+	Cannot live alone, requires care, cannot drive	Must live with caregiver, cannot be on Medicaid
Montana	Related by blood or marriage	18-64	SSA-defined disability	Must be low-income
		65+	None	
New Jersey	Relative	50-59	SSA-defined disability	Must be low income and live with caregiver
		60+	Requires assistance with ≥ 2 ADLs	
New York	Related by blood or marriage or dependent	18+	Requires assistance with ≥ 1 ADL, certified by provider	None
North Carolina	Relative	None	None	None
North Dakota	Related by blood or marriage	18-64	SSA-defined disability	Must be low income
		65+	None	

Federal/State	Caregiver Relationship to Care Recipient	Care Recipient Age Requirement	Care Recipient LTSS Need Requirement	Other Care Recipient Eligibility Requirements
Oklahoma	Related by blood or marriage, dependent	62+	Requires assistance with ≥ 2 ADLs, certified by provider	Must live in a private residential home
Rhode Island	Relative by blood or marriage	18-64	SSA-defined disability	Must live with caregiver
		65+	Requires assistance with ≥ 2 ADLs, certified by provider if ≥ 65	
South Carolina	An older adult living in the caregiver's home	60+	Requires assistance with 3 ADLs for 6+ months, certified by a physician	Must live with caregiver
Vermont	Family member (blood, civil marriage, adoption)	None	Diagnosed disability, assistance with ADLs, home health, safety at home	Cannot be in residential care
West Virginia	Related by blood or marriage	18+	Requires assistance with ≥ 1 ADL, certified by provider	Must live in a private home

ADL = activities of daily living; HIPAA = Health Insurance Portability and Accountability Act; IADL = instrumental activities of daily living; LTSS = long-term services and supports; SSA = Social Security Administration.

Tax Credit Utilization in States with Enacted Laws

For states with enacted (current or repealed) caregiver tax credits, we reviewed publicly available information on the amounts taxpayers claimed and the number of claims submitted over the past five years (**Table 3**). Four of six states reported the total amount claimed by year. The total amount of tax credits claimed was very modest with amounts ranging from a total of \$13,883 in Missouri in 2022 (Warner, 2025) to \$9,0443,000 in Hawaii in 2018 (Hawaii Department of Taxation, 2024). Only Hawaii and Montana provided details on the number of claims per year, allowing us to estimate the average tax credit amount per claim. Despite Hawaii's greater spending on caregiver tax credits compared with other states, the average amount per claim ranged from \$341 in 2020 to \$395 in 2022. The estimated average amount per claim in Montana ranged from \$1,498 in 2019 to \$2,018 in 2021 (Montana Department of Revenue, 2022). The Montana tax credit was repealed after the 2021 tax year.

Table 3. Estimated Tax Credit Utilization for States with Enacted Caregiver Tax Credits

State	Status	Total Amount Claimed by Year	Total Number of Claims	Estimated Amount per Claim
Georgia (GA Dept. of Revenue, n.d.)	Law	2015: \$446,406 2016: \$382,559 2017: \$430,643 2018: \$482,230 2019: \$482,230	N/A	N/A
Hawaii (HI Dept. of Taxation, 2024)	Law	2018: \$9,043,000 2019: \$8,747,000 2020: \$5,308,000 2021: \$5,637,000 2022: \$6,479,000	2018: 23,683 2019: 22,792 2020: 15,547 2021: 14,807 2022: 16,415	2018: \$382 2019: \$384 2020: \$341 2021: \$381 2022: \$395

State	Status	Total Amount Claimed by Year	Total Number of Claims	Estimated Amount per Claim
Missouri (Warner, 2025)	Law	2021: \$22,187 2022: \$13,833 2023: \$15,619 2024: \$18,231	N/A	N/A
Montana, ^a (MT Dept. of Revenue, 2022)	Repealed law	2017: \$96,532 2018: \$101,248 2019: \$85,396 2020: \$75,057 2021: \$62,551	2017: 57 2018: 60 2019: 57 2020: 47 2021: 31	2017: \$1,694 2018: \$1,687 2019: \$1,498 2020: \$1,597 2021: \$2,018
North Dakota	Law	Not publicly available online.	N/A	N/A
Oklahoma	Law	Not available in the most recent Oklahoma report (2023) since the law was enacted in 2024.	N/A	N/A

^a The number of caregiver tax credit claims in Montana is slightly higher than what is reported in Table 3 because the state report only included the number of resident claims because of confidentiality concerns about the small number of claims for nonresidents and part-year residents. This includes, for example, non-residents who pay Montana income tax on rental income.

CONCLUSION

This descriptive review of current and proposed federal and state-level caregiver tax credit programs underscores the considerable variation in their design and implementation across states. In addition to the CCA, we identified 19 states with proposed, existing, or repealed caregiver tax credits: 15 states with a proposed caregiver tax credit bill, five states with existing caregiver tax credit laws (two of which also have proposed bills), and one state with a repealed caregiver tax credit law.^a Characteristics of the caregiver tax credit laws and bills vary substantially across the states. Nearly all of them are nonrefundable tax credits (only two are refundable), which aligns with the proposed nonrefundable tax credit in the federal CCA. Bills and laws in seven states include both children and adults as qualified care recipients, with the remainder including either adults ages 18 and older (four states) or adults ages 50 and older (eight states). Most states that include care recipients younger than 60 years old require additional eligibility requirements based on disability status, compared with the federal CCA proposal, which does not include age restrictions but defines LTSS need based on age category. In six states, older care recipients are eligible without additional LTSS need requirements. Proposed and active caregiver tax credits also include requirements on the type and amount of eligible expenses. Finally, the federal proposal is the only one to include a minimum requirement that caregivers have earned income. However, federal and most state programs include credit phaseout based on AGI thresholds.

^a There is an overlap in that two states have both a current law and an active bill for caregiver tax credits. Thus, these numbers sum to more than the total number of states with a bill or law.

Because unpaid family caregivers often face significant financial burdens associated with providing care for loved ones, expanding caregiver tax credits could provide meaningful financial relief to some family caregivers^b by offsetting some of the substantial out-of-pocket expenses they incur. Legislation could expand tax credits by broadening eligibility criteria or providing refundable tax credits. Information on credit utilization in the six states that have current or previous caregiver tax credit laws is limited. Only four of these states reported the total amount claimed per year, and only two reported details on the number of claims per year. From these two states with both total claims values and numbers of claims reported, we identified wide variation in use of the tax credits. Caregivers in Hawaii submitted numerous claims each year, ranging from 16,415 in 2022 to 23,683 in 2018, compared with Montana caregivers with just 60 claims in 2018 and 31 in 2021 (the last year for which data were available in that state). The associated dollar values claimed under the tax credit also varied widely between the two states, with both states reporting the highest claims values in 2018: \$9,043,000 in Hawaii and \$101,248 in Montana. This variation is, at least, partially driven by differences in the law requirements but is difficult to explain fully, given only two states with available data.

Limited data on the utilization of current programs constrains our ability to fully assess their effectiveness and to project the potential impact of the proposed federal-level CCA. Nevertheless, expanding caregiver tax credits has the potential to provide support to family caregivers, but currently, only a few states have existing laws, and the amount caregivers can receive is often minimal.

LIMITATIONS

Our review of state caregiver tax credit legislation reflects a single point in time, April 2025. Therefore, we could not assess longitudinal trends in the introduction or passage of caregiver tax credit bills. Additionally, we could not determine the likelihood of proposed bills becoming law because of the intricate and dynamic policymaking process. Among the few states that currently offer a caregiver tax credit, publicly available data on utilization rates remain limited. This restricts our understanding of the utilization and impact of these credits. Despite these limitations, this issue brief provides a timely overview of the current caregiver tax credit policy landscape in the United States. It compiles publicly available utilization data from existing tax credits and facilitates comparisons between state-level initiatives and proposed federal legislation. These insights can inform the development of more inclusive and effective tax credit policies to better support the needs of family caregivers.

^b As noted above, lower-income caregivers may not be eligible for caregiver tax credits that defray the costs of caregiving-related expenses. These populations may expend time and labor on caregiving but may not have qualifying expenses to benefit from tax credits.

APPENDIX A: SUMMARY TABLE FOR CAREGIVER TAX CREDITS

Table A1 outlines key features of current and proposed U.S. federal and state caregiver tax credits as of April 2, 2025. It lists each bill or law along with its legislative status and relevant dates. The table explains whether the credit is refundable and defines eligibility criteria for care recipients, including their relationship to the taxpayer, age, and disability status. It includes three columns, LTSS need definition, LTSS duration, and medical certification, that together describe the long-term support requirements a care recipient must meet for the caregiver to qualify for the credit. These requirements may involve cognitive impairment, difficulty with daily activities, or an SSA-recognized disability, and may also indicate whether professional certification is needed. Additional columns cover eligible caregiving expenses and examples, reimbursement rates, maximum credit amounts, income thresholds, other notable provisions, and available data on how many people have claimed the credit.

Table A1. Detailed Information for Federal and State Caregiver Tax Credits (as of April 2, 2025)

Law/Bill Name	Status	Credit Type	Care Recipient Eligibility & Relationship to Caregiver	LTSS Need Definition	LTSS Duration	Qualified Expenses	Expense Examples	% Reimbursed	Maximum Credit	Caregiver AGI Limit	Other Info	Credit Utilization
Federal Credit for Caring Act ("Credit for Caring Act of 2024," 2024)	Bill (Jan. 2024)	Non-refund.	Spouse or relative (IRC-defined)	ADL limitations by age; severe cognitive impairment	≥180 consecutive days	Goods/services and supports to meet LTSS needs	Home aides, adult day care	30% of expenses >=\$2,000	\$600 (for a min. of \$2,000 in qualified LTSS expenses) to \$5,000	\$150k (joint), \$75k (others)	Earned income >\$7.5k; must list TINs of care recipient and certifying provider	N/A
Arkansas Caring for Caregivers Act ("To create the Caring for Caregivers Act; and to provide an income tax credit for expenses incurred in caring for certain family members," 2025)	Bill (Jan. 2025)	Non-refund.	Dependent, spouse, parent, or relative ≥62, home-based	Requires assistance with ≥2 ADLs	N/A	Uncompensated caregiving expenses	Home mods, equipment, aides, adult day care	50%	\$3k (veterans or dementia dx) or \$2k (other relatives)	<\$50k incl. spouse	If 2+ caregivers for one care recipient, credit split evenly	N/A

Law/Bill Name	Status	Credit Type	Care Recipient Eligibility & Relationship to Caregiver	LTSS Need Definition	LTSS Duration	Qualified Expenses	Expense Examples	% Reimbursed	Maximum Credit	Caregiver AGI Limit	Other Info	Credit Utilization
Connecticut Caregiver Tax Credit ("An Act Establishing a Caregiver Tax Credit Against the Personal Income Tax," 2025)	Bill (Jan. 2025)	Non-refund.	Family ≥50 on SSDI or ≥60	SSA-defined disability	N/A	Care/support expenses	Not specified	N/A	\$500	\$200k (single), \$400k (joint)	N/A	N/A
* Georgia Qualified Caregiving Expense Credit (Georgia Department of Revenue, 2001, January 15, n.d.)	Law (2001)	Non-refund.	Relative ≥62 or on SSDI	SSA-defined disability	N/A	LTSS payments	Home health/ personal care services, health care equipment	10%	\$150 (new bill proposes \$1,000)	N/A	Taxpayer can claim for self; recipient does not need to be a GA resident	2019: \$482,230 claimed
Support Georgia Family Caregivers Act ("Support Georgia Family Caregivers Act," 2024)	Bill (Jan. 2024)	Non-refund.	Dependent ≥18 needing ADL help or ≥62 on SSDI	SSA-defined disability	N/A	Direct caregiving expenses	Current GA credit expenses plus legal, transport, home mods	10%	\$1,000	N/A	Equipment must be deemed medically necessary to carryout ADLs	N/A
Hawaii Family Caregiver Tax Credit ("A Bill for an Act Relating to Taxation," 2025)	Bill (Jan. 2025)	Refundable	Broadly defined family; not in LTC or on HCBS	Requires assistance with ≥2 ADLs/IADLs or cognitive impairment needing supervision	N/A	Direct costs incurred by caregiver	Home mods, equipment/ supplies to carryout ADLs, transportation	N/A	\$5,000	\$75k (single), \$125k (joint)	One credit per household/ year	N/A
* Hawaii Child & Dependent Care Tax Credit (Hawaii Department of Taxation, 2023, 2024)	Law (Jun. 2023)	Non-refund.	Dependents <13 or unable to care for themselves	Physical/ mental incapacity	N/A	Household/ care expenses enabling caregiver employment	Preschool, daycare, aides, home health care	15–25% based on AGI	\$2,500 (1 dependent), \$5,000 (2+ dependents)	N/A	Caregiver must be employed/ looking for work	2022: \$6.5M claimed; 16,415 claims

Law/Bill Name	Status	Credit Type	Care Recipient Eligibility & Relationship to Caregiver	LTSS Need Definition	LTSS Duration	Qualified Expenses	Expense Examples	% Reimbursed	Maximum Credit	Caregiver AGI Limit	Other Info	Credit Utilization
Illinois Income Tax Credit for Caregivers ("Illinois General Assembly H.B. 1900," 2025)	Bill (Jan. 2025)	Non-refund.	IL resident ≥50 who is a dependent, relative, or close associate	Requires assistance with ≥1 ADL , certified by health care provider	N/A	Home mods, equipment, caregiving support services	Home care aide, respite care, adult day care, transport, tech, legal/financial services	100%	\$500	\$75k (single), \$150k (joint)	Must apply to Dept. on Aging for credit certificate	N/A
Indiana Caregiver Tax Credit ("Caregiver tax credit," 2025)	Bill (Jan. 2025)	Non-refund.	Ill or aging spouse, child, grandchild, parent, or sibling	Ill or aging (general)	N/A	Unpaid services otherwise requiring a paid non-medical caregiver	TBD by Indiana Secretary of Family and Social Services	N/A	\$10k (joint); \$5k (married separate)	N/A	To be defined by 1/1/2026	N/A
Kentucky Eligible Caregiver Tax Credit (2025)	Bill (Feb. 2025)	Non-refund.	Family member ≥62 cared for by relative	Requires assistance with ≥2 ADLs , certified by provider	N/A	Costs for care of family member in private home	Home care aides, respite care, home mods, medical equipment, tech	50%	\$3k (veterans or dementia dx) or \$2k (other relatives)	\$100k household	N/A	N/A
Maryland Caregiver Tax Credit ("Income Tax - Caregiver Tax Credit," 2024)	Bill (Jan. 2024)	Non-refund.	Family ≥18 , immediate relative of caregiver	Requires assistance with ≥1 ADL , certified by provider	N/A	Goods/services directly related to caregiving	Home mods, home care aides, adult day care, transport, tech, legal/financial services	30% of expenses >\$2k	\$5,000	\$75k (single), \$150k (joint)	N/A	N/A
* Missouri Shared Care Tax Credit ("Shared care tax credit available, when - eligibility requirements - rulemaking authority - penalty provision," 2024; Warner, 2025)	Law (Aug. 2014)	Non-refund.	Relative ≥60 living with caregiver	Cannot live alone; requires care, no Medicaid, no driving	N/A	Costs of caring for an older adult	Not specified	N/A	\$500	N/A	Must register with MO Shared Care Program; caregiver must be unpaid	2024: \$18,231 claimed

Law/Bill Name	Status	Credit Type	Care Recipient Eligibility & Relationship to Caregiver	LTSS Need Definition	LTSS Duration	Qualified Expenses	Expense Examples	% Reimbursed	Maximum Credit	Caregiver AGI Limit	Other Info	Credit Utilization
# Montana Elder Care Credit (repealed) ("Elderly care credit (repealed effective 2022, January 1)," 2021; Revenue, 2022)	Law 2015, repealed 2021	Non-refund.	Relative ≥ 65 or on SSDI, low income	N/A	N/A	Broad caregiving expenses incl. LTC services and insurance	Home health, aides, day care, LTC premiums	10–30% based on FTI and filing status	\$2,500 (married filing separately)—\$5,000 (single or joint)	\$25k–\$50k depending on filing status	Max 2 recipients/credit; allocated among caregivers	2021: \$62,551 claimed
New Jersey Caregiver's Assistance Act ("Caregiver's Assistance Act," 2024)	Bill (Feb. 2024)	Refundable	Relative ≥ 60 or Relative ≥ 50 on SSDI, low income	Requires assistance with ≥ 2 ADLs	N/A	Tangible personal property and services necessary to allow a care recipient to live at caregiver's home	Home health, adult day care, home mods, assistive devices, respite care, equipment	22.5%	\$675	\$50k (others), \$100k (joint)	If multiple caregivers for one care recipient, tax credit is allocated among them	N/A
New York Tax Credit for Qualified Caregiving Expenses ("Provides a Tax Credit for Qualified Caregiving Expenses," 2025)	Bill (Feb. 2025)	Non-refund.	Family member ≥ 18 , resident of NY	Requires assistance with ≥ 1 ADL, certified by provider	N/A	Goods/services provided to or for care recipient	Home health services, aides, adult day care, transport, legal/financial services, tech	50%	\$3,500	\$75k (single), \$150k (joint)	Must apply to Dept. of Taxation; credit allocation capped at \$35 million/year from 2026–2028	N/A
North Carolina Age with Dignity Act ("Age with Dignity Act (Caregiver Tax Credit)," 2025)	Bill (Mar. 2025)	Non-refund.	Relative under IRS Section 152	N/A	N/A	N/A	N/A	N/A	\$15k (veterans); \$12k (other relatives)	\$75k–\$150k depending on filing status	N/A	N/A

Law/Bill Name	Status	Credit Type	Care Recipient Eligibility & Relationship to Caregiver	LTSS Need Definition	LTSS Duration	Qualified Expenses	Expense Examples	% Reimbursed	Maximum Credit	Caregiver AGI Limit	Other Info	Credit Utilization
* North Dakota Family Member Care Tax Credit ("Credit for expenses of caring for certain family members," 2023)	Law (2023)	Non-refund.	Individual ≥ 65 , or on SSDI, related by blood or marriage, low income	SSA disability	N/A	LTSS services for qualifying family members	Home health, personal care, adult day care, respite care	20-30% depending on FTI	\$1,000 (married filing separately)—\$2,000 (single, joint)	\$70k (joint), \$50k (single/HOH), \$35K (married filing separately)	Max two family members; separate forms required	Not publicly available
* Oklahoma Caring for Caregivers Tax Credit ("Caring for caregivers credit," 2024)	Law (2024)	Non-refund.	≥ 62 , dependent, spouse, parent, or other relation by blood/marriage, lives in a private home	Requires assistance with ≥ 2 ADLs, certified by provider	N/A	N/A	Home care aides, durable medical equipment, home modes, adult day care, tech	50%	\$3k (veterans or dementia dx) or \$2k (other relatives)	\$100k (joint), \$50k (individual)	Cap of \$1.5 million for claims annually	Not in 2023 report
Rhode Island Family Caregiver Tax Credit Act ("The Rhode Island Family Caregiver Tax Credit Act," 2025)	Bill (Jan. 2025)	Non-refund.	≥ 65 , or on SSDI, residing with caregiver	Assistance with ≥ 2 ADLs, certified by provider	N/A	Care-related expenses paid/incurred by caregiver	Home improvements, medical equipment, home care aides, adult day care, tech	50%	\$1,000 per family	<\$50k (single), <\$100k (joint)	Expenses cannot be reimbursable by health insurance	N/A
South Carolina Aging with Dignity Act ("Aging with dignity tax credit," 2025)	Bill (Jan. 2025)	Non-refund.	Senior in caregiver's home, requiring assistance with 3 ADLs for 6+ months, physician certification	Requires assistance with ≥ 3 ADLs	6 months	N/A	N/A	N/A	\$1,000	N/A	N/A	N/A, proposed bill
Vermont Unpaid Caregiver Tax Credit ("Vermont Unpaid Caregiver Tax Credit," 2025)	Bill (Mar. 2025)	Non-refund.	Family member (blood, civil marriage, adoption), diagnosed disability, not in residential care	Assistance with ADLs, home health, safety at home	N/A	N/A	N/A	N/A	\$1,000 (unpaid care for 12 months for 20+ hours/week)	Credit reduced by \$20 for each \$1,000 over \$125k	Caregiver must have a medical provider execute the form prior to claiming the credit	N/A, proposed bill

Law/Bill Name	Status	Credit Type	Care Recipient Eligibility & Relationship to Caregiver	LTSS Need Definition	LTSS Duration	Qualified Expenses	Expense Examples	% Reimbursed	Maximum Credit	Caregiver AGI Limit	Other Info	Credit Utilization
West Virginia Creating the Caregiver Tax Credit Act ("Creating the Caregiver Tax Credit Act," 2025)	Bill (Mar. 2025)	Non-refund.	≥18, relation by blood/marriage, living in home, not in care facility	Requires assistance with ≥1 ADL, certified by provider	N/A	Expenses incurred by caregiver that are directly related to providing care to an eligible relative	Home improvements, medical equipment, transport/vehicle mods, home care aides, respite care, adult day care, legal/ financial services	50%	\$2,000	N/A	Expenses must not be reimbursed by another individual, organization, or government entity	N/A, proposed bill

Notes: *Green-shaded rows indicate current caregiver tax credits. ‡ Orange-shaded rows indicate repealed caregiver tax credits.

Acronyms: ADLs = activities of daily living; AGI = Adjusted Gross Income; FTI = Federal Taxable Income; HIPAA = Health Insurance, Portability and Accountability Act of 1996; HCBS = home and community-based services; IADLs = instrumental activities of daily living; IRC = Internal Revenue Code; IRS = Internal Revenue Service; LTC = long-term care; LTSS = long-term services and supports; SSA = Social Security Administration; SSDI = Social Security Disability Benefits Insurance; TIN = Taxpayer Identification Number.

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