Cornhusker Caregiving Strong
Nebraska's Caregiver Tax Credit Act

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What is a “Family Caregiver?”

A ‘***family caregiver***’ is defined as someone who is providing unpaid short-term or long-term care to a parent, spouse, child, friend or other loved one who needs help with everyday activities and personal tasks such as transportation, managing finances, scheduling appointments, shopping, bathing, dressing, preparing meals, wound care and/or medication management

Four Kinds of People in The World

"There are only four kinds of people in the world: those **who have been** caregivers, those **who are** currently caregivers, those **who will be** caregivers, and those **who will need** caregivers."

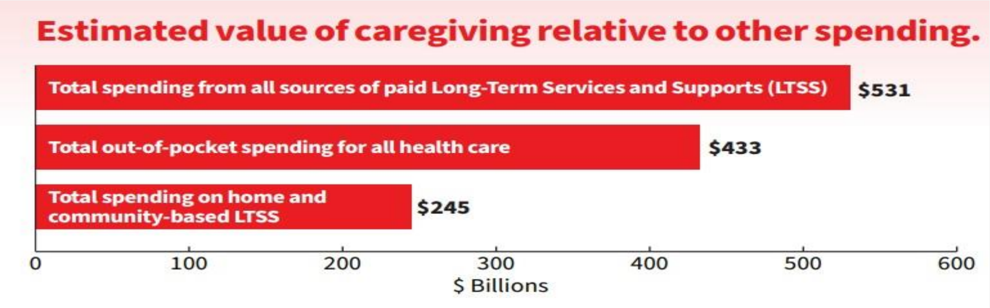
– Rosalynn Carter

America’s Family Caregivers

- Family caregivers are **the invaluable backbone** of our long-term services and supports and home and community-based care system
- Caregiving is not just a ***family*** issue, caregiving impacts:
  - Communities
  - Employers
  - Health systems
  - Education systems
  - Long term care systems

America’s Family Caregivers

- **38 million** unpaid family caregivers
- **36 billion** hours of care/year
  - average value/$16.59 per hour
- **$600 billion** value of unpaid care/year
  - The economic impact of $600 billion is ***more than***:



- **Over $7,200** average annual out of pocket caregiver costs

Nebraska’s Family Caregivers

- **179,000** unpaid family caregivers
- **168 million** hours of care/year
  - average value $16.96 per hour
- **$2.8 billion** value of unpaid care/year

Family Caregiving Challenges

- **BIGGEST Challenges**
  - **Time**
    - Provide, on average, 24 hours of care per each week
    - 60% work a full-time or part-time job
    - 30% are caring for two generations (sandwich generation)
  - **Money/Financial**
    - Lost income
      - Using personal savings, cutting personal healthcare spending, reduced retirement savings
      - Economic cost of foregone earnings by family caregivers of older adults in 2023 was $67 billion
    - Out of pocket expenses
      - 78% of family caregivers incur out of pocket caregiving costs
        - » $7,200 / 26% of their income on average

Family Caregiving Challenges

- **Other Challenges**
  - **Physical**
    - Fatigue / Health issues
    - Weakened immune systems, chronic conditions
      - obesity, high blood pressure, heart disease, cancer, diabetes, arthritis
    - Nearly 2 in 5 caregivers have at least 2 chronic conditions
  - **Mental/Emotional**
    - Stress, anxiety, depression, burnout
    - Between 40 and 70% of family caregivers experience clinical symptoms of depression
    - 65% of family caregivers experience burnout

Family Caregiving Challenges

- **Other Challenges**
  - **Social Isolation/Loneliness**
    - Relationship strains and reduced social interactions
      - withdrawal from social activities, relationships, previous habits and lifestyle
      - Impacts the overall well-being; less able to focus on work, family and responsibilities
    - Being recognized as a priority public health epidemic
      - The effects on mortality is comparable to that of other well-established factors such as smoking, obesity and physical inactivity
      - ***lacking social connection can increase the risk for premature death as much as smoking up to 15 cigarettes a day***
  - **Access to Resources**
    - Limited support and difficulty navigating systems

Nebraska Legislative Bill 937

Legislative Bill 937 provides a nonrefundable tax credit up to $3,000 to any family caregiver who incurs eligible expenditures for the care and support of an eligible family member (regardless of age) in Nebraska.

Nebraska Legislative Bill 937

- Nebraska's Caregiver Tax Credit - ***#1*** in the nation
  - Most comprehensive tax credit across the United States
- Oklahoma – first state to pass the Caregiver Tax Credit (summer 2023)
- Nebraska's package, however, is the most comprehensive:
  - No age restriction; Oklahoma's is 62+
  - Annual allocation cap is more generous
    - Oklahoma cap is $1.5 million
    - Nebraska cap is $1.5 million first two years, $2.5 million thereafter
- Other States:
  - Georgia, Missouri, New Jersey, North Dakota, South Carolina

Nebraska Caregiver Tax Credit Act

- Effective January 1, 2025
- **Non-Refundable** Tax Credit
- Credit available up to:
  - **$2,000** (Caregiver)
  - **$3,000** (Dementia / Veteran)
- ***NO*** age restrictions
- Income Guidelines (adjusted gross income)
  - **$50K** single
  - **$100K** married couple

Nebraska Caregiver Tax Credit Act

- Eligible family member:
  - Must qualify as a dependent, spouse, parent, or other relation by blood or marriage to the family caregiver
- Must live in a private residence
  - **Does not** include assisted living, nursing facility, or residential care home
- Certification required by licensed healthcare provider
  - Must need assistance with at least two activities of daily living (ADL's)
    - IE: Ambulating, dressing, feeding, personal hygiene, continence, toileting

Nebraska Caregiver Tax Credit Act

- Applies to out-of-pocket costs incurred by the family caregiver
  - Eligible expenses **include**:
    - **Improvement or alteration to the primary residence** of the family caregiver or eligible family member to permit the eligible family member to live in the residence and to remain mobile, safe, and independent
      - IE: Wheelchair ramps, grab bars, handrails, zero-threshold entryways, shower alterations, relocating light switches, sensor activated lights, widening doorway and hallways, low impact flooring, stairlifts, etc.

Nebraska Caregiver Tax Credit Act

- Applies to out-of-pocket costs incurred by the family caregiver
  - Eligible expenses **include**:
    - **Purchase or lease of equipment** by the family caregiver
      - including but not limited to, durable medical equipment, that is necessary to assist an eligible family member in carrying out one or more activities of daily living
      - IE: lift chairs, electric wheelchairs, medical alert systems, smart home technology systems, elevated toilet seats, shower chairs, walkers, braces, adaptive equipment, etc.

AARP

Nebraska Caregiver Tax Credit Act

- Applies to out-of-pocket costs incurred by the family caregiver
  - Eligible expenses **<u>include</u>**:
    - **Other paid or incurred expenses** by the family caregiver
      - hiring a home health care aide, respite care, adult day care, personal care attendants, health care equipment, technology, etc.

Nebraska Caregiver Tax Credit Act

- Applies to out-of-pocket costs incurred by the family caregiver
  - Eligible expenses **does not** include:
    - general household maintenance activities
    - IE: painting, plumbing, electrical repairs, exterior maintenance, etc.

- **50%** of the eligible out of pocket expenditures incurred during the taxable year by a family caregiver for the care and support of an eligible family member
  - IE: must spend $4,000 to obtain the full $2,000

Nebraska Caregiver Tax Credit Act

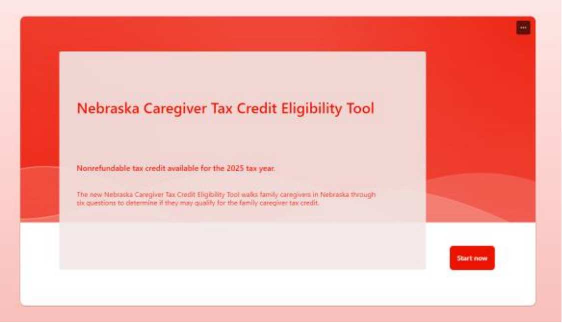
- Any ***unused*** credit cannot be carried over
- If two or more family members claim the credit for the same family member:
  - The maximum allowable credit shall be allocated in equal amounts between each of the family caregivers up to the $2,000 or $3,000.
- Limitations on annual allocation
  - **$1.5M** year (2025-2026 and 2026-2027)
  - **$2.5M** thereafter

Nebraska Caregiver Tax Credit Act

- NE Dept. of Revenue shall adopt and promulgate rules and regulations
- Application(s) submitted to the NE Dept. of Revenue
  - Form prescribed by NE Dept. of Revenue (2025)
  - Approved in order received by the NE Dept. of Revenue
  - Documentation required
    - Eligible expenditures
    - ADL's certification
    - Any other documentation as required by Dept.

NEBRASKA CAREGIVER TAX CREDIT ACT

www.aarp.org/NEcaregiving



SCAN ME

www.aarp.org/NEcaregiving

SCAN ME

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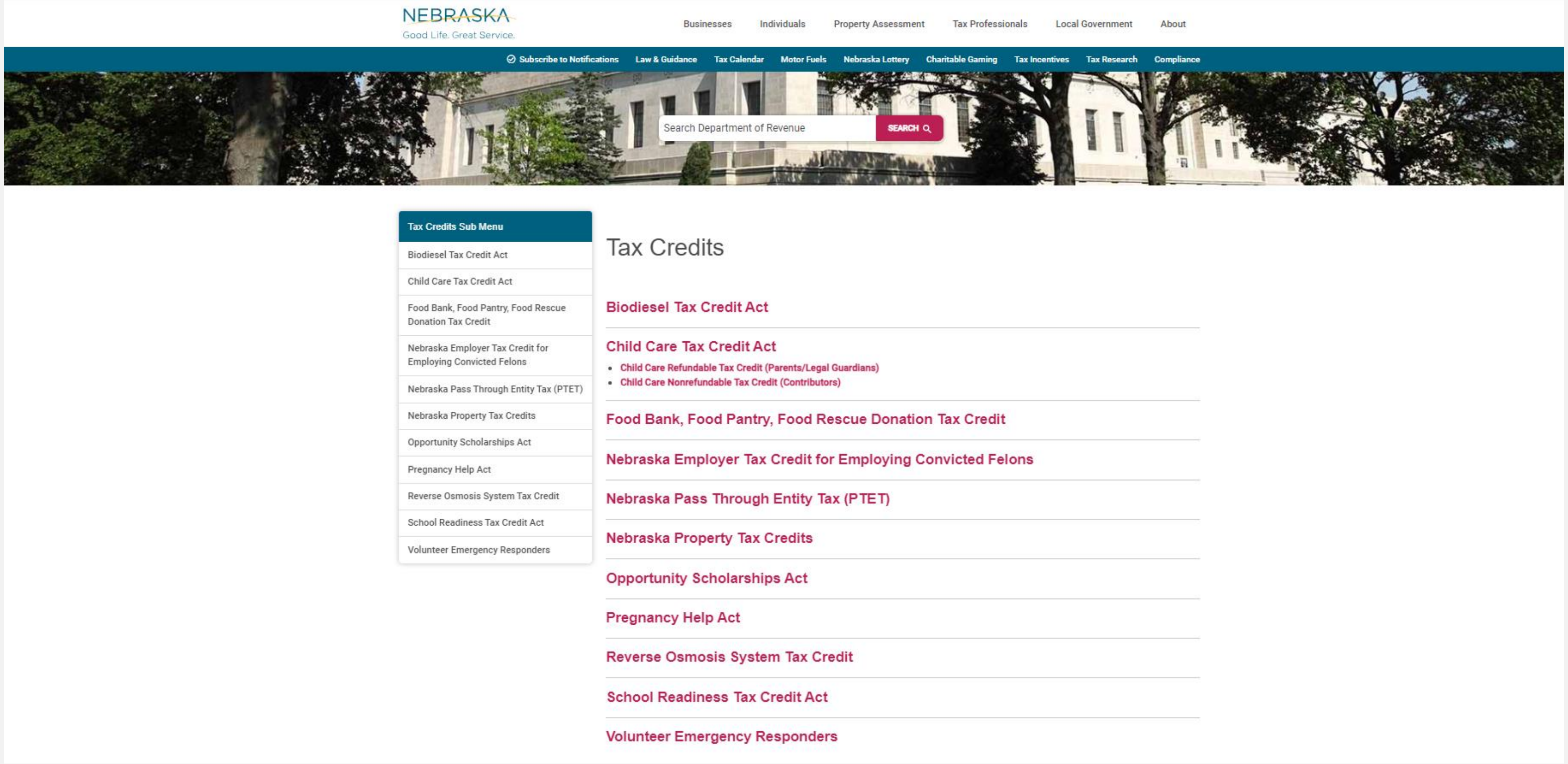
https://revenue.nebraska.gov/tax-credits




AARP
Nebraska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LIPPINCOTT
LOWE
McDONNELL
McKINNEY
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MURMAN
RAYBOULD
RIEPE
SANDERS
SLAMA
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Resources

- **Nebraska Caregiver Tax Credit Act Website:**
  - https://www.aarp.org/NEcaregiving
- **Nebraska Caregiver Tax Credit Brochure**
  - https://www.aarp.org/NEcaregiving
- **Nebraska Department of Revenue**
  - https://revenue.nebraska.gov/incentives/tax-credits
- **AARP Public Policy Institute (PPI)**
  - https://www.aarp.org/ppi/issues/caregiving
- **AARP Caregiving Website**
  - https://www.aarp.org/caregiving
- **Administration for Community Living (ACL)**
  - https://acl.gov/DCWcenter/FamilyCaregiving
- **Elizabeth Dole Foundation**
  - https://www.elizabethdolefoundation.org

Resources

- **National Alliance for Caregiving (NAC)**
  - https://www.caregiving.org
- **Alzheimer's Association**
  - https://www.alz.org/help-support/caregiving/caregiver-health
- **2-1-1**
  - https://ne211.org
- **Local and State Agencies:**
  - **State Unit on Aging**
    - https://dhhs.ne.gov/Pages/Aging.aspx
  - **Area Agencies on Aging / ADRC**
    - https://dhhs.ne.gov/Pages/Aging-and-Disability-Resource-Center.aspx
  - **Nebraska Lifespan Respite**
    - https://dhhs.ne.gov/Pages/Respite.aspx
  - **Nebraska Caregiver Coalition**
    - https://www.facebook.com/NebCaregiverCoalition

Questions?

“To care for those who once cared for us is one of the highest honors.” – Tia Walker

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