

HB 429 -- TAX DEDUCTION FOR FOSTER PARENTS

SPONSOR: Kelly (141)

Beginning on January 1, 2022, a taxpayer will be allowed a tax deduction for expenses incurred directly by the taxpayer in providing care as a foster parent to one or more children in this state. The amount of the deduction will be equal to the amount of expenses directly incurred by the taxpayer in providing such care; provided that:

(1) If the taxpayer provides care as a foster parent for at least six months during the tax year, the total amount of the deduction claimed under this bill will not exceed \$2,500 per taxpayer, or \$5,000 per taxpayer if married and filing a combined return; and

(2) If the taxpayer provides care as a foster parent for less than six months during the tax year, the maximum deduction limits described will still apply, but the limits will be reduced on a pro rata basis.

The Department of Revenue will collaborate with the Children's Division of the Department of Social Services in order to establish and implement a procedure to verify that a taxpayer claiming the deduction is a foster parent.

Each taxpayer claiming the deduction must file an affidavit with their income tax return. The affidavit will affirm that they are a foster parent and that they are entitled to the deduction in the amount claimed on their tax return.

The provisions of this bill sunset on December 31st, six years after the effective date.