

Informational Meeting Tax Credits:  
Dependent Care Credits  
Expense in Lieu of Nursing Home  
Tapes 96 A/B  
97 A

HOUSE COMMITTEE ON  
REVENUE AND SCHOOL FINANCE -  
SUBCOMMITTEE ON INCOME TAXATION

APRIL 21, 1993 8:15 AM HEARING ROOM E STATE CAPITOL BUILDING

Members Present: Representative John Schoon, Chair  
Representative Ron Adams  
Representative Tony Federici  
Representative Delna Jones, Ex Officio  
Representative Gail Shibley  
Representative Greg Walden

Members Excused: Representative Greg Walden

Witnesses Present: Bob Zeigen, Oregon Senior and Disabled Services Division  
Staff: Richard Yates, Legislative Revenue Office Mary Gottlieb, Committee  
Assistant

TAPE 096 SIDE A

001 REP. ADAMS, Acting Chair, called the meeting to order at 8:39.

009 REP. ADAMS opened the informational meeting on tax credits for  
dependent care and expenses in lieu of nursing home.

015 DICK YATES explained the different categories under the dependent care  
credit: dependent care expenses necessary for employment, child development  
program contributions, dependent care assistance, and credit for work on  
dependent care facility. He introduced a copy of the ORSs, Exhibit 1.

028 DICK YATES began with expenses in lieu of nursing home and the  
restrictions attached to this credit, Exhibit 2.

Discussion and questions.

108 BOB ZEIGEN testified that this credit was enacted in 1979. He explained  
the Credit for Home Care of an Elderly Person form, Exhibit 3. The credit  
is rarely used because of the restrictions. The Governor's commission on  
the elderly did a study and listed all the things that were wrong with the  
bill. In theory, it was a good idea that never went anywhere.

These minutes paraphrase and/or summarize statements made during this  
meeting. Text enclosed in quotation marks reports the speakers exact words.  
For complete context of proceedings, please refer to the tape recording.

House Committee on  
Revenue and School  
Finance

Subcommittee on Income Taxation April 21, 1993 Page 2

Discussion and questions.

239 BOB ZEIGEN explained Oregon Project Independence (OPI). To be eligible  
a person must meet 18 different criteria, then the person pays a fee for  
services based on their income. OPI members eventually qualify for  
medicaid, which can now be used for nonnursing home care in some cases. The  
idea of OPI was to prevent people from going into nursing homes; for that  
reason, OPI allows funds to be used for inhome care. If people were allowed  
more leeway in qualifying for the credit, the state would save money  
because the elderly would be cared for by a family member. This bill keeps  
the idea on the books; so that in the future, there is a chance that the  
tax credit could work. The federal plan works only if the person is  
working.

Discussion and questions.

TAPE 097 SIDE A

001 Discussion continued with BOB ZEIGEN and credit for expenses in lieu of nursing homes.

050 BOB ZEIGEN testified that nursing homes cost approximately \$75 per day, and in-home care costs approximately one-third of that. In 1982, the state encouraged people to leave nursing homes and live in the community. Many elderly residents now live in retirement homes, and nursing homes are losing clients.

Discussion and questions.

150 BOB ZEIGEN related that every city in the state has some alternative residences for elderly persons: small group homes, nursing homes, retirement homes, etc.

Discussion and comments.

218 DICK YATES provided an overview of the dependent care credits. He explained the different categories associated with this credit: 1) Dependent care expenses necessary for employment, 2) Child development programs, 3) Dependent care assistant, and 4) Work on dependent care facility.

Discussion and questions.

-

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

House Committee on

Revenue and School Finance

Subcommittee on Income Taxation April 21, 1993 Page 3

TAPE 096 SIDE B

001 DICK YATES continued to lead the discussion on dependent care expenses necessary for employment.

038 DICK YATES provided an explanation for dependent care facilities, which is a credit based upon costs paid or incurred by the employer to improve, renovate, or construct a facility to be used primarily for dependent care. Discussion and questions.

152 DICK YATES continued with dependent care assistant, which is a credit for expenses incurred in the operation of a dependent care facility and for which certain restrictions apply.

Discussion and questions.

300 DICK YATES offered information on the child development programs, which is a credit for contributions to school district development programs that have been approved by the Department of Education.

320 REP. ADAMS, Acting Chair, conducted administrative business.

360 MOTION CHAIR SCHOON requested that REP. ADAMS vote on HB 2438 and HB 2240 by unanimous consent.

362 ORDER CHAIR SCHOON, hearing no objections, so ordered.

365 VOTE REP. ADAMS voted: HB 2438 (\*\*082, page 14, 04/16/93) and HB 2240 (\*\*183, page 15, 04/16/93).

405 REP. ADAMS, Acting Chair, adjourned the meeting at 10:00.

Mary Gottlieb, Committee Assistant

Kimberly Taylor, Office Manager

These minutes paraphrase and/or summarize statements made during this

meeting. Text enclosed in quotation marks reports the speakers exact words.  
For complete context of proceedings, please refer to the tape recording.

House Committee on  
Revenue and School Finance  
Subcommittee on Income Taxation  
April 21, 1993 Page 4

EXHIBIT SUMMARY

1. ORS 316.078, Tax Credits for Dependent Care, Dick Yates,  
Legislative Revenue Office.
2. ORS 316.148, Credit for Expenses in Lieu of Nursing Home Care,  
Dick Yates, Legislative Revenue Office.
3. Form 150-101-024, Credit for Home Care of an Elderly Person,  
Bob Zeigen, Oregon Seniors and Disabled Services Division.

-

These minutes paraphrase and/or summarize statements made during this  
meeting. Text enclosed in quotation marks reports the speakers exact words.  
For complete context of proceedings, please refer to the tape recording.