

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2026 REGULAR SESSION**

**MEASURE**

2026 BR NUMBER 225

HOUSE BILL NUMBER 157

**TITLE** AN ACT relating to an eligible caregiver credit.

**SPONSOR**     Representative Adrielle Camuel

**FISCAL SUMMARY**

STATE FISCAL IMPACT:   ☒ YES   ☐ NO   ☐ UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY:   ☐ ACTUARIAL ANALYSIS  
☐ LOCAL MANDATE   ☐ CORRECTIONS IMPACT   ☐ HEALTH BENEFIT MANDATE   ☐ STATE  
EMPLOYEE HEALTH PLAN IMPACT

APPROPRIATION UNIT(S) IMPACTED: \_\_\_\_\_

FUND(S) IMPACTED:   ☒ GENERAL   ☐ ROAD   ☐ FEDERAL   ☐ RESTRICTED \_\_\_\_\_

FISCAL ESTIMATES	2025-2026	2026-2027	2027-2028	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			(\$1,500,000)	(\$1,500,000)
EXPENDITURES				
NET EFFECT			(\$1,500,000)	(\$1,500,000)

(   ) indicates a decrease/negative

**PURPOSE OF MEASURE:** HB 157 would establish a nonrefundable credit against the Kentucky individual income tax for eligible caregivers who provide in-home care to eligible family members. The credit would equal 50 percent of eligible expenses incurred during the taxable year and would be capped at \$3,000 for veterans and individuals with dementia, and \$2,000 for all other eligible recipients. The total amount of credits awarded in any taxable year would be capped at \$1,500,000. An eligible caregiver is an individual who incurs unreimbursed, eligible expenses while providing such care, provided that the caregiver has a personal income less than \$100,000 annually. Eligible family members must be at least 62 years of age and require assistance with at least two activities of daily living, as certified by a licensed health care provider.

**FISCAL EXPLANATION:** The estimated fiscal impact of HB 157 is \$1,500,000 in FY 28.

To estimate the fiscal impact, the number of Kentuckians requiring caregiver assistance was multiplied by the typical cost incurred by caregivers. Based on data from the U.S. Census Bureau's American Community Survey Public Use Microdata (PUMS), an estimated 157,232 Kentuckians over age 62 require assistance with at least two activities of daily living. Because

only one caregiver can claim each expense for the tax credit, the population of eligible family members and eligible caregivers was assumed to be the same. AARP and the National Alliance for Caregiving estimated that Kentucky caregivers spend up to \$7,200 of their own money on caregiving expenses annually. AARP also estimates that only 26 percent of family caregivers have an income greater than \$100,000 annually. This would leave approximately 116,352 caregivers and their corresponding family members eligible for the tax credit. The AARP also estimates that 7 percent of people receiving care are veterans, who receive a higher maximum credit under HB 157.

Because HB 157 would provide a credit equal to 50 percent of incurred expenses, the average credit value, based on AARP data, would be approximately \$3,600 per caregiver. This is higher than the maximum allowable credit per individual. Applying the maximum credit contained in the bill of \$2,000 to the estimated number of eligible nonveteran family members and the maximum credit of \$3,000 to veteran family members in Kentucky yields a total potential credit amount surpassing the cap proposed in HB 157. Therefore, the fiscal impact of HB 157 is expected to equal the cap of \$1,500,000 beginning in FY 28. The bill states that the credit is applied to taxable years starting January 1, 2027, but that applications for the credit will be reviewed and credits awarded in February 2028. Therefore, no fiscal impact is expected until FY 28.

**DATA SOURCE(S):**2024 American Community Survey 5-Year Estimates Public Use Microdata, AARP Caregiving in the US 2025: Kentucky, LRC Economists Staff  
**PREPARER:** Sierra Church **NOTE NUMBER:** 32 **REVIEW:** JMR **DATE:** 1/15/2026