

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 60<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB4118</b>
<b>Version:</b>	<b>SUBREC</b>
<b>Request Number:</b>	<b>16210</b>
<b>Author:</b>	<b>Rep. Tammy West</b>
<b>Date:</b>	<b>3/2/2026</b>
<b>Impact:</b>	<b>Unknown decrease in income tax collections</b>

**Research Analysis**

The subcommittee recommendation for HB4118 amends the family caregiver tax credit by increasing the maximum credit amount to \$3000 and broadening eligibility and allowable expenses. The list of eligible expenditures is expanded to include mileage for transporting an eligible family member to and from medical appointments, which will be calculated using the IRS medical mileage rate. The definition of *eligible family member* is broadened to remove the 62 or older age limit requirement.

Prepared By: Quyen Do

**Fiscal Analysis**

In its current form, HB4118 broadens eligibility and allowable expenses for the family caregiver tax credit, and increases the maximum credit amount to \$3000.

The Oklahoma Tax Commission has provided the following analysis:

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**ESTIMATED REVENUE IMPACT:****FY27: Unknown decrease in income tax collections.****FY28: Unknown decrease in income tax collections.**

**ANALYSIS:** The Proposed Subcommittee Substitute<sup>i</sup> of HB 4118 (Req. No. 16159) proposes to amend 68 O.S. § 2357.801 relating to the Caring for Caregivers Tax Credit, effective for tax year 2026. This measure would allow mileage<sup>ii</sup> for driving an eligible family member to and from medical appointments as an eligible expenditure qualifying for the credit.<sup>iii</sup> This measure also amends the definition of “eligible family caregivers” by increasing the federal adjusted gross income eligibility threshold to no more than \$75,000 (\$150,000 for a couple filing jointly). Additionally, this measure proposes to amend the definition of “eligible family member” by removing the minimum age requirement of 62. The maximum credit for all family caregiver is increased to \$3,000 under this measure.

This credit has a \$1.5 million cap. If more than \$1.5 million in credits are claimed in the second preceding year, the current year’s credits are reduced proportionately. For example, if more than \$1.5 million in credits were claimed in 2024, the 2026 tax credits would be reduced proportionately. The Oklahoma Tax Commission (OTC) is currently reviewing 2024 income tax return data<sup>iv</sup> to determine whether a percentage adjustment will apply for tax year 2026.

The impact on income tax collections resulting from these proposed changes is an unknown decrease in income tax collections beginning in FY27.

**CURRENT LAW:** Beginning in 2024, eligible family caregivers are allowed a 50% income tax credit for certain expenditures for the care and support of an eligible family member, 62 years of age or older. Generally, the maximum allowable credit per eligible family member is \$2,000 (\$3,000 if the eligible family member is a veteran or has a diagnosis of dementia). To be an eligible caregiver the maximum federal adjusted gross income can be no more than \$50,000 for an individual (\$100,000 for a couple filing jointly). Mileage is not an eligible expenditure.

Prepared By: Zach Penrod, House Fiscal Staff

**Other Considerations**

None.