LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 572
STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: NOVEMBER 10, 2026

SUMMARY

Synopsis: Provides gross income tax credit for certain expenses paid or incurred for care and support of qualifying senior family member; designated as Caregiver's Assistance Act.

Type of Impact: Annual State revenue loss to the Property Tax Relief Fund.

Agency Affected: Department of the Treasury.

Office of Legislative Services Estimate	
Annual State Revenue Loss	$20 million to $40 million

- The Office of Legislative Services (OLS) projects that the proposed caregiver tax credit would lower annual State revenue by $20 million to $40 million but cautions that the revenue loss may fall outside these bounds due to data limitations and open parameters of implementation.

BILL DESCRIPTION

This bill would establish an annual refundable gross income tax credit equal to 22.5 percent of up to $3,000 in caregivers' unreimbursed qualified care expenses that are necessary to allow qualifying senior family members to live in their or their caregiver's place of abode. The maximum $675 credit would be available to family caregivers with annual gross incomes not exceeding $100,000 if filing a joint tax return or $50,000 if filing a single tax return, provided the care recipient's annual gross income is not more than the New Jersey Elder Index.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS projects that the proposed caregiver tax credit would lower annual State revenue by $20 million to $40 million but cautions that the revenue loss may fall outside these bounds due to data limitations and open parameters of implementation that the Department of the Treasury would ultimately determine post-enactment.

The OLS bases its estimate on an analysis of AARP and National Alliance for Caregiving survey data on caregiving, data in the New Jersey Caregiver Task Force Report 2022, New Jersey gross income tax data, the performance of similar enacted caregiver tax credits in other states, and fiscal estimates of proposed similar tax credits in other states.

Several data limitations and open implementation decisions impart non-standard forecasting risk on the OLS projection. Uncertainty-exacerbating unknowns include:

- The types of expenditures the Department of the Treasury would deem qualified care expenses that are necessary to allow qualifying senior family members to live in their or their caregiver's place of abode.
- The extensiveness of Treasury's documentation requirements to ensure compliance and prevent fraudulent claims.
- The pool of eligible taxpayers. The AARP estimated in 2025 that 1.86 million New Jersey adults were caregivers. The bill, however, limits the tax credit to situations in which family caregivers and care recipients meet certain income thresholds. Existing data, however, lack the granularity to conclusively ascertain the number of potentially eligible taxpayers.
- The average tax credit amount. The AARP and the New Jersey Caregiver Task Force report average out-of-pocket caregiving expenditures by caregivers ($7,242 and $6,297, respectively) that would easily qualify for a maximum $675 tax credit. The task force report, however, also shows a wide distribution with a median of $2,000, which would be a $450 credit. Moreover, it is unclear what the average out-of-pocket caregiving expenses are for income-eligible taxpayers, whether that spending can be adequately documented, and whether all expenditures included in the survey data would qualify for the credit.
- The treatment of joint tax return filers when one spouse cares for the other and the household income qualifies the caregiver for a tax credit but disqualifies the care recipient.

Unit:	*Legislative Budget and Finance Office*
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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).