



Janice K. Brewer
Governor

David Raber
Director

ARIZONA INDIVIDUAL INCOME TAX PROCEDURE ITP 14-2

Procedure for Determining Whether a Parent or Grandparent Requires Assistance with Activities of Daily Living for the Purpose of the \$10,000 Exemption

ISSUE:

What criteria should an Arizona resident use to determine whether his or her parent or grandparent (grandparent includes great grandparents) requires assistance with activities of daily living for the purpose of the \$10,000 exemption allowed under A.R.S. § 43-1023(C)?

PROCEDURE:

Complete the *Activities of Daily Living Checklist* to help you determine if your parent or grandparent required assistance with at least two or more of the different categories of activities of daily living during the taxable year. If you complete the checklist for any given tax year, you should keep a copy of the completed checklist with your tax records along with any documentation you may have establishing that your parent or grandparent required assistance with activities of daily living. Documentation you may want to keep would include any documentation you may have that shows your parent or grandparent had cognitive impairment, functional disability or physical health problems.

For the purpose of the \$10,000 exemption, a need for assistance exists when the parent or grandparent is unable to complete an activity due to cognitive impairment, functional disability, physical health problems, or safety. An unsafe situation exists when there is a negative consequence from not having help, or there is the potential of negative consequence occurring without additional help. If a parent or grandparent is mentally and physically free of impairment, there is no safety risk to the parent or grandparent. Additionally, if the parent or grandparent chooses not to complete an activity due to personal preference or choice, then that individual does not need assistance. If a parent or grandparent cannot complete an activity because he or she has never learned how to complete the activity, then for the purpose of determining eligibility, that individual does not need assistance. If a parent or grandparent can manage an activity without requiring any help that individual does not need assistance.

ACTIVITIES OF DAILY LIVING CHECKLIST

To determine if your parent or grandparent needs help with one or more of the activities of daily living, check either the yes or no box next to the listed activities. You should only check a YES box if your parent or grandparent is unable to complete an activity due to his or her cognitive impairment, functional disability, physical health problems, or safety. Check the NO box if your parent or grandparent could complete the task on his or her own,

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but just does not want to complete the task or does not know how to complete the task because he or she has never learned how to complete the task. You should also check the NO box if your parent or grandparent can manage an activity without requiring any help.

CATEGORY 1 – DRESSING		
<p>Only check a YES box if your parent or grandparent is unable to complete an activity due to his or her cognitive impairment, functional disability, physical health problems, or safety. Check the NO box if your parent or grandparent could complete the task on his or her own, but just does not want to complete the task or does not know how to complete the task because he or she has never learned how to complete the task. You should also check the NO box if your parent or grandparent can manage an activity without requiring any help.</p> <p>Dressing includes getting clothes from closets or drawers, putting them on, fastening and taking them off. Clothing refers to clothes, braces and artificial limbs worn daily.</p>		
	YES	NO
Does your parent or grandparent need help putting on and taking off artificial limbs, undergarments, pants/skirts, shirts, shoes and/or socks?		
Does your parent or grandparent need help picking out his or her daily clothes and retrieving those items from closets and/or drawers?		
<p>If you checked a YES box, describe what type of assistance is required with dressing on an average day, and what would happen if assistance was not provided:</p> <p>_____</p> <p>_____</p>		

CATEGORY 2 – EATING		
<p>Only check a YES box if your parent or grandparent is unable to complete an activity due to his or her cognitive impairment, functional disability, physical health problems, or safety. Check the NO box if your parent or grandparent could complete the task on his or her own, but just does not want to complete the task or does not know how to complete the task because he or she has never learned how to complete the task. You should also check the NO box if your parent or grandparent can manage an activity without requiring any help.</p> <p>Eating is the process of getting food/fluid by any means into the body after it is placed in front of the person. This includes cutting food, opening a carton and pouring liquids, holding a glass to drink, and transferring food from a plate or bowl into the person’s mouth.</p>		
	YES	NO
Does your parent or grandparent need someone to bring food and/or drinks to his or her mouth?		
Does your parent or grandparent need stand-by assistance in case of choking?		
Does your parent or grandparent need assistance to be fed by use of a feeding tube, syringe or to be fed intravenously (IV)?		
Does your parent or grandparent need to have his or her food cut up, cartons opened or liquids poured for him or her?		
<p>If you checked a YES box, describe what type of assistance is required with eating on an average day, and what would happen if assistance was not provided:</p> <p>_____</p> <p>_____</p>		

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CATEGORY 3 – AMBULATING		
<p>Only check a YES box if your parent or grandparent is unable to complete an activity due to his or her cognitive impairment, functional disability, physical health problems, or safety. Check the NO box if your parent or grandparent could complete the task on his or her own, but just does not want to complete the task or does not know how to complete the task because he or she has never learned how to complete the task. You should also check the NO box if your parent or grandparent can manage an activity without requiring any help.</p> <p>Ambulation is the ability to get from one place to another. Walking means moving about on foot or artificial limbs. Wheeling means moving about by a wheelchair. Transferring is the ability to move from a bed, chair, or wheelchair.</p>		
	YES	NO
<p>Skip this question if your parent or grandparent is wheelchair bound. Does your parent or grandparent need help to walk, sit, stand up, bend down, or balance?</p>		
Does your parent or grandparent need help transferring from a bed, toilet, chair, car, bath or shower?		
Does your parent or grandparent need help using any special equipment (transfer board, hydraulic or electric lift) to transfer?		
If your parent or grandparent uses a cane, crutches, walker or wheelchair, does your parent or grandparent need help wheeling or using those items?		
Does your parent or grandparent need to be turned during the night or need help using any devices, or pillows for positioning?		
<p>If you checked a YES box, describe what type of assistance is required with ambulating on an average day, and what would happen if assistance was not provided:</p> <hr/> <hr/>		

CATEGORY 4 – TOILETING		
<p>Only check a YES box if your parent or grandparent is unable to complete an activity due to his or her cognitive impairment, functional disability, physical health problems, or safety. Check the NO box if your parent or grandparent could complete the task on his or her own, but just does not want to complete the task or does not know how to complete the task because he or she has never learned how to complete the task. You should also check the NO box if your parent or grandparent can manage an activity without requiring any help.</p> <p>Toileting is the ability to get to and from the bathroom, get on and off the toilet, clean oneself, manage clothing and flushing the toilet. A commode at any site is considered a "bathroom". Toileting tasks also include the ability to empty, cleanse and replace the commode.</p>		
	YES	NO
Does your parent or grandparent need help getting to and from the bathroom and/or getting on and off the toilet?		
Does your parent or grandparent need help removing and replacing clothing to use the toilet?		
Does your parent or grandparent need help cleaning after toileting?		
Does your parent or grandparent need help changing and caring for a catheter, leg bag or ostomy bag?		
Does your parent or grandparent need help emptying, cleansing and replacing a bedside commode or bedpan?		
Does your parent or grandparent need help using, changing and disposing of adult incontinence products?		
<p>If you checked a YES box, describe what type of assistance is required with toileting on an average day, and what would happen if assistance was not provided:</p> <hr/> <hr/>		

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CATEGORY 5 – MEDICATING		
<p>Only check a YES box if your parent or grandparent is unable to complete an activity due to his or her cognitive impairment, functional disability, physical health problems, or safety. Check the NO box if your parent or grandparent could complete the task on his or her own, but just does not want to complete the task or does not know how to complete the task because he or she has never learned how to complete the task. You should also check the NO box if your parent or grandparent can manage an activity without requiring any help.</p> <p>Medicating includes, removing medication containers from medication storage areas, opening the lid on medicine containers and guiding the person's hand so that he or she can self-administer the medication and/or holding and assisting the person in drinking fluid to assist in the swallowing of oral medications. Medicating includes, giving injections, breathing treatments and giving medication through an IV. Medicating also includes understanding labels, keeping track of medications and taking them as prescribed.</p>		
	YES	NO
Does your parent or grandparent need you to put medicine in his or her hand or help him or her with a drink?		
Does your parent or grandparent need help getting medicine from a cabinet or other storage area?		
Does your parent or grandparent need help using oxygen, taking breathing treatments, injecting medication, or using an IV?		
Does your parent or grandparent need help to read and understand medication labels?		
Does your parent or grandparent need help to take correct dosage of medication?		
Does your parent or grandparent need help to remember to take his or her medication?		
Does your parent or grandparent need help to open medication containers?		
Does your parent or grandparent need help to order and obtain his or her medication from the pharmacy?		
<p>If you checked a YES box, describe what type of assistance is required with medicating on an average day, and what would happen if assistance was not provided:</p> <hr/> <hr/>		

CATEGORY 6 – HYGIENE		
<p>Only check a YES box if your parent or grandparent is unable to complete an activity due to his or her cognitive impairment, functional disability, physical health problems, or safety. Check the NO box if your parent or grandparent could complete the task on his or her own, but just does not want to complete the task or does not know how to complete the task because he or she has never learned how to complete the task. You should also check the NO box if your parent or grandparent can manage an activity without requiring any help.</p> <p>Hygiene includes bathing which includes getting in and out of the tub, preparing the bath (e.g., turning on and off the water), actually washing oneself, and toweling dry. Hygiene includes oral hygiene which includes brushing, flossing, taking care of dentures and other dental appliances. Hygiene also includes shaving and clipping nails.</p>		
	YES	NO
Does your parent or grandparent need help turning the bath or shower water on and/or off?		
Does your parent or grandparent need help getting into or out of the tub or shower?		
Does your parent or grandparent need help washing and/or drying his or her body?		
Does your parent or grandparent need help washing and/or drying his or her hair?		
Does your parent or grandparent need help using assistive devices or durable medical equipment like grab bars, bath bench or a shower chair?		
Does your parent or grandparent need help combing his or her hair?		
Does your parent or grandparent need help trimming his or her finger nails and/or toe nails?		
Does your parent or grandparent need help brushing and/or flossing his or her teeth?		

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Does your parent or grandparent need help removing and cleaning dentures or another dental device if your parent or grandparent has dentures or another removable dental device?		
Does your parent or grandparent need help using razors (electric, safety, etc.) to shave his or her face, under arms or legs?		
If you checked a YES box, describe what type of assistance is required with hygiene on an average day, and what would happen if assistance was not provided:		

CATEGORY 7 – SHOPPING		
<p>Only check a YES box if your parent or grandparent is unable to complete an activity due to his or her cognitive impairment, functional disability, physical health problems, or safety. Check the NO box if your parent or grandparent could complete the task on his or her own, but just does not want to complete the task or does not know how to complete the task because he or she has never learned how to complete the task. You should also check the NO box if your parent or grandparent can manage an activity without requiring any help.</p> <p>Shopping means the ability to get to stores and purchasing necessities such as food, clothing and medication.</p>		
	YES	NO
Does your parent or grandparent need you to go with him or her to the store to get groceries or other items?		
Does your parent or grandparent need you to go grocery or clothes shopping for him or her?		
Does your parent or grandparent need help keeping an inventory list of needed food and other supplies and writing a grocery list?		
Does your parent or grandparent need help paying at the register?		
Does your parent or grandparent need help carrying bags?		
Does your parent or grandparent need help putting groceries away?		
If you checked a YES box, describe what type of assistance is required with shopping on an average shopping day, and what would happen if assistance was not provided:		

CATEGORY 8 – HOUSEKEEPING		
<p>Only check a YES box if your parent or grandparent is unable to complete an activity due to his or her cognitive impairment, functional disability, physical health problems, or safety. Check the NO box if your parent or grandparent could complete the task on his or her own, but just does not want to complete the task or does not know how to complete the task because he or she has never learned how to complete the task. You should also check the NO box if your parent or grandparent can manage an activity without requiring any help.</p> <p>Housekeeping means doing basic household chores like sweeping, mopping, vacuuming, dusting, laundry and cleaning the kitchen and bathroom.</p>		
	YES	NO
Does your parent or grandparent need help sweeping, mopping and/or vacuuming floors?		
Does your parent or grandparent need help cleaning the kitchen, including washing and drying dishes, cleaning counter tops, the stove, the oven and/or the inside/outside of the refrigerator?		
Does your parent or grandparent need help gathering and taking out trash?		
Does your parent or grandparent need help dusting the furniture?		
Does your parent or grandparent need help making the bed or changing the sheets?		

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Does your parent or grandparent need help cleaning the bathroom floor, walls, sink, tub and/or toilet?		
Does your parent or grandparent need help doing laundry, like sorting the laundry, running the washing machine or dryer, cleaning out the lint filter, putting the laundry away?		
If you checked a YES box, describe what type of assistance is required with housekeeping on an average housekeeping day, and what would happen if assistance was not provided:		

CATEGORY 9 - MANAGING PERSONAL FINANCES		
<p>Only check a YES box if your parent or grandparent is unable to complete an activity due to his or her cognitive impairment, functional disability, physical health problems, or safety. Check the NO box if your parent or grandparent could complete the task on his or her own, but just does not want to complete the task or does not know how to complete the task because he or she has never learned how to complete the task. You should also check the NO box if your parent or grandparent can manage an activity without requiring any help.</p> <p>Managing personal finances means operating within a budget, writing checks, paying bills and avoiding scams.</p>		
	YES	NO
Does your parent or grandparent need help understanding how and when to pay his or her monthly bills?		
Does your parent or grandparent need help resisting "something for nothing" advertising and "low weekly payment" credit plans?		
Does your parent or grandparent need help understanding how to operate within his or her budget?		
Does your parent or grandparent need help writing checks, making withdrawals and deposits, and making banking transactions, recording transactions and reading monthly bank statements?		
Does your parent or grandparent need help understanding the responsibility of filing federal and state tax forms, and the information required for filing taxes?		
Does your parent or grandparent need help understanding buying on credit, loans, interest and late payment penalties?		
If you checked a YES box, describe what type of assistance is required with managing personal finances and what would happen if assistance was not provided:		

CATEGORY 10 - BASIC COMMUNICATION		
<p>Only check a YES box if your parent or grandparent is unable to complete an activity due to his or her cognitive impairment, functional disability, physical health problems, or safety. Check the NO box if your parent or grandparent could complete the task on his or her own, but just does not want to complete the task or does not know how to complete the task because he or she has never learned how to complete the task. You should also check the NO box if your parent or grandparent can manage an activity without requiring any help.</p> <p>Basic communication means being able to express yourself, understanding others and being understood by others. Basic communication also means being able to use a telephone.</p>		
	YES	NO
Does your parent or grandparent need help using a telephone (answering incoming calls and making outgoing calls)?		
Does your parent or grandparent need help expressing him or herself verbally to be clearly understood by others?		

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Does your parent or grandparent need help understanding what people are saying?		
Does your parent or grandparent need things explained to him or her with detail?		
If you checked a YES box, describe what type of assistance is required with basic communication on an average day and what would happen if assistance was not provided:		

CATEGORY 11 - FOOD PREPARATION		
<p>Only check a YES box if your parent or grandparent is unable to complete an activity due to his or her cognitive impairment, functional disability, physical health problems, or safety. Check the NO box if your parent or grandparent could complete the task on his or her own, but just does not want to complete the task or does not know how to complete the task because he or she has never learned how to complete the task. You should also check the NO box if your parent or grandparent can manage an activity without requiring any help.</p> <p>Food preparation is the process of preparing foods for cooking, cooking the foods, plating the food, planning the meal, gathering ingredients, opening cans, jars and packages, using kitchen equipment safely.</p>		
	YES	NO
Does your parent or grandparent need to have his or her meals planned, prepared and served?		
Does your parent or grandparent need help using kitchen equipment (oven, stove microwave, etc.) safely?		
Does your parent or grandparent need someone to open cans, jars and packages for him or her?		
Does your parent or grandparent need someone to plate his or her food and position his or her glass, plate and utensils in front of him or her?		
Does your parent or grandparent need help making appropriate food choices?		
If you checked a YES box, describe what type of assistance is required with food preparation on an average day and what would happen if assistance was not provided:		

CATEGORY 12 – TRANSPORTATION		
<p>Only check a YES box if your parent or grandparent is unable to complete an activity due to his or her cognitive impairment, functional disability, physical health problems, or safety. Check the NO box if your parent or grandparent could complete the task on his or her own, but just does not want to complete the task or does not know how to complete the task because he or she has never learned how to complete the task. You should also check the NO box if your parent or grandparent can manage an activity without requiring any help.</p> <p>Transportation means the ability to drive oneself or to use public transportation without assistance to get to a store, doctor, dentist and/or therapist appointments.</p>		
	YES	NO
If public transportation (bus, light rail, etc.) is an option where your parent or grandparent lives, does your parent or grandparent need assistance using that public transportation to get to the store, doctor, dentist and/or therapist appointments?		
Does your parent or grandparent need to have someone to drive him or her to the store, doctor, dentist and/or therapist appointments?		
Does your parent or grandparent need help with calling and taking a taxi to the store, doctor, and dentist and/or therapist appointments?		

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If you checked a YES box, describe what type of assistance is required with transportation on an average day and what would happen if assistance was not provided:

DISCUSSION:

A.R.S. § 43-1023(C) provides that an Arizona resident taxpayer may claim a \$10,000 exemption for each of the taxpayer’s parents or grandparents that meet the requirements set forth in A.R.S. § 43-1023(C).

To claim this exemption, the parent or grandparent must be at least 65 years old during the taxable year and must require assistance with two or more of the specified categories of activities of daily living. The taxpayer must have paid more than one-half of the support and maintenance costs for his or her parent or grandparent. The parent or grandparent must have lived in the taxpayer’s principal residence for the entire taxable year. The fact that the parent or grandparent dies during the taxable year shall not deprive the taxpayer of the exemption if the parent or grandparent lived in the taxpayer’s principal residence for the entire part of that taxable year prior to his or her death. Temporary absences by the parent or grandparent for special circumstances, such as a hospital stay or care in a hospice facility count as time lived in the taxpayer’s principle residence.

For the purpose of determining an Arizona resident taxpayer’s eligibility for the \$10,000 exemption allowed under A.R.S. § 43-1023(C), the term “activities of daily living” means two or more of the listed categories of activities of daily living. Activities of daily living include both basic activities of daily living and instrumental activities of daily living. The categories of activities of daily living are dressing, eating, ambulating, toileting, medicating, hygiene, shopping, housekeeping, managing personal finances, basic communication, food-preparation and transportation.

APPLICABLE LAW:

A.R.S. § 43-1023(C) provides that an Arizona resident taxpayer may claim a \$10,000 exemption for each of the taxpayer’s parents or grandparents that meet the requirements set forth in A.R.S. § 43-1023(C).

David Raber, Director

Signed: August 1, 2014

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Explanatory Notice

The purpose of a tax procedure is to provide procedural guidance to the general public and to department personnel. A tax procedure is a written statement issued by the department to assist in the implementation of tax laws, administrative rules, and tax rulings by delineating procedures to be followed in order to achieve compliance with the law. Relevant statute, case law, or administrative rules, as well as a subsequent procedure, may modify or negate any or all of the provisions of any tax procedure. See GTP 96-1 for more detailed information regarding documents issued by the Department of Revenue.

APPENDIX TO ARIZONA INDIVIDUAL INCOME TAX PROCEDURE - ITP 14-2

For more information concerning criteria for qualifying to claim the \$10,000 exemption allowed under A.R.S. § 43-1023(C) see the following income tax ruling and procedure:

- ITR 14-3 What the term “activities of daily living” means when determining an Arizona resident taxpayer’s eligibility for the \$10,000 exemption allowed under Arizona Revised Statutes (A.R.S.) § 43-1023(C)

- ITP 14-1 Procedure for Determining Whether a Taxpayer Provided More than One-half of His or Her Qualifying Parent’s or Grandparent’s Support During the Taxable Year for the Purpose of the \$10,000 Exemption