

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19

H.221

Introduced by Representatives Till of Jericho, Belaski of Windsor, Brumsted of Shelburne, Deen of Westminster, Emmons of Springfield, Fields of Bennington, Head of South Burlington, Joseph of North Hero, Long of Newfane, Macaig of Williston, McCullough of Williston, Morris of Bennington, Mrowicki of Putney, Noyes of Wolcott, Scheu of Middlebury, Squirrel of Underhill, Townsend of South Burlington, Troiano of Stannard, Walz of Barre City, Wood of Waterbury, and Yacovone of Morristown

Referred to Committee on

Date:

Subject: Taxation; income tax; deduction; disability accessibility

Statement of purpose of bill as introduced: This bill proposes to create a State income tax deduction to mitigate the expense of home modifications required by a disability or physical hardship. The deduction is for a percentage of the expense or \$9,000.00, whichever is less. The percentage of the deduction that may be taken varies depending on the income of the person claiming the deduction.

1 An act relating to an income tax deduction for home modifications required  
2 by a disability or physical hardship

3 It is hereby enacted by the General Assembly of the State of Vermont:

4 Sec. 1. 32 V.S.A. § 5823 is amended to read:

5 § 5823. VERMONT INCOME OF INDIVIDUALS, ESTATES, AND  
6 TRUSTS

7 (a) For any taxable year, the Vermont income of a resident individual is the  
8 adjusted gross income of the individual for that taxable year, and the Vermont  
9 income of a resident estate or trust is its gross income for the taxable year, less:

10 \* \* \*

11 (8) The amount paid by the State of Vermont pursuant to 20 V.S.A.  
12 chapter 181 to the extent that such amount is included in the federal adjusted  
13 gross income of the taxpayer for the taxable year.

14 (9) The amount of any expenditures for the purpose of making all or any  
15 portion of an existing homestead accessible to an individual with a disability or  
16 physical hardship, or making all or any portion of an existing homestead  
17 accessible so that an individual with a disability or physical hardship may visit  
18 in an amount equal to the applicable percentage of the home modification or  
19 \$9,000.00, whichever is less.

20 (A) The deduction under this subdivision (9) may be claimed by the  
21 taxpayer for home modifications made to his or her homestead, or the  
22 homestead of a lineal ascendant or descendant relative.

1           (B) In order to claim the deduction, the taxpayer must demonstrate to  
2           the Commissioner of Taxes that the expenses incurred were necessary to make  
3           a home more accessible, and the taxpayer shall document the expenses to the  
4           satisfaction of the Commissioner. The Department of Taxes is authorized to  
5           adopt rules or procedures to implement this deduction.

6           (C) As used in this subdivision (9), “applicable percentage of the  
7           home modification” means:

8                   (i) for taxpayers with a federal adjusted gross income of \$0.00 to  
9                   \$25,000.00, 100 percent;

10                   (ii) for taxpayers with a federal adjusted gross income of over  
11                   \$25,000.00 but not over \$30,000.00, 90 percent;

12                   (iii) for taxpayers with a federal adjusted gross income of over  
13                   \$30,000.00 but not over \$35,000.00, 80 percent;

14                   (iv) for taxpayers with a federal adjusted gross income of over  
15                   \$35,000.00 but not over \$40,000.00, 70 percent;

16                   (v) for taxpayers with a federal adjusted gross income of over  
17                   \$40,000.00 but not over \$45,000.00, 60 percent;

18                   (vi) for taxpayers with a federal adjusted gross income of over  
19                   \$45,000.00 but not over \$55,000.00, 50 percent;

20                   (vii) for taxpayers with a federal adjusted gross income of over  
21                   \$55,000.00 but not over \$65,000.00, 40 percent;

