

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
  
12  
13  
  
14  
15  
16  
17  
18  
19  
20

H.238

Introduced by Representatives French of Randolph, Krebs of South Hero, and  
Frank of Underhill

Referred to Committee on

Date:

Subject: Taxation; income tax; credit; disability accessibility

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

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

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

Sec. 1. 32 V.S.A. § 5827 is added to read:

§ 5827. CREDIT FOR CERTAIN HOME MODIFICATIONS

(a) Any individual income taxpayer who makes expenditures for the  
purpose of making all or any portion of an existing homestead accessible to an  
individual with a disability or physical hardship, or making all or any portion  
of an existing homestead accessible so that an individual with a disability or

1 physical hardship may visit, shall be entitled to a credit against his or her  
2 income tax liability in an amount equal to the applicable percentage of the  
3 home modification or \$9,000.00, whichever is less.

4 (b) The credit under this section may be claimed by the taxpayer for home  
5 modifications made to his or her homestead, or the homestead of a lineal  
6 ascendant or descendant relative.

7 (c) In order to claim the credit, the taxpayer must demonstrate to the  
8 Commissioner that the expenses incurred were necessary to make a home more  
9 accessible, and the taxpayer shall document the expenses to the satisfaction of  
10 the Commissioner. The Department of Taxes is authorized to adopt rules or  
11 procedures to implement this credit.

12 (d) The credit under this section is nonrefundable, and shall be taken in the  
13 taxable year the expense was incurred. If the credit exceeds the taxpayer's  
14 liability in the taxable year the expense was incurred, the remaining credit may  
15 be carried forward until it is all used, but in no event may any portion of the  
16 credit be carried forward more than four years after the taxable year in which  
17 the expense was incurred.

18 (e) As used in this section, "applicable percentage of the home  
19 modification" means:

20 (1) for taxpayers with a federal adjusted gross income of \$0.00 to  
21 \$25,000.00, 100%;

1           (2) for taxpayers with a federal adjusted gross income of over  
2           \$25,000.00 but not over \$30,000.00, 90%;

3           (3) for taxpayers with a federal adjusted gross income of over  
4           \$30,000.00 but not over \$35,000.00, 80%;

5           (4) for taxpayers with a federal adjusted gross income of over  
6           \$35,000.00 but not over \$40,000.00, 70%;

7           (5) for taxpayers with a federal adjusted gross income of over  
8           \$40,000.00 but not over \$45,000.00, 60%;

9           (6) for taxpayers with a federal adjusted gross income of over  
10          \$45,000.00 but not over \$55,000.00, 50%;

11          (7) for taxpayers with a federal adjusted gross income of over  
12          \$55,000.00 but not over \$65,000.00, 40%;

13          (8) for taxpayers with a federal adjusted gross income of over  
14          \$65,000.00 but not over \$75,000.00, 30%;

15          (9) for taxpayers with a federal adjusted gross income of over  
16          \$75,000.00 but not over \$85,000.00, 20%; and

17          (10) for taxpayers with a federal adjusted gross income of over  
18          \$85,000.00 but not over \$95,000.00, 10%.

19          Sec. 2. EFFECTIVE DATE

20          This act shall take effect on January 1, 2016, and apply to taxable year 2016  
21          and after.