

1 S.176

2 Introduced by Senators Pollina and Sirotkin

3 Referred to Committee on Finance

4 Date: January 5, 2016

5 Subject: Taxation; income tax; credits; disability accessibility

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

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

*An act relating to disclosure of compliance with accessibility standards in
the sale of residential construction*

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

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

15 § 5827. CREDIT FOR CERTAIN HOME MODIFICATIONS

16 (a) Any individual income taxpayer who makes expenditures for the
17 purpose of making all or any portion of an existing homestead accessible to an
18 individual with a disability or physical hardship, or making all or any portion
19 of an existing homestead accessible so that an individual with a disability or
20 physical hardship may visit, shall be entitled to a credit against his or her

1 ~~income tax liability in an amount equal to the applicable percentage of the~~
2 ~~home modification or \$9,000.00, whichever is less.~~

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

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

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

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

19 ~~(1) for taxpayers with a federal adjusted gross income of \$0.00 to~~
20 ~~\$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, 2017 and apply to taxable year 2017

21 ~~and after.~~

Sec. 1. 20 V.S.A. § 2907 is amended to read:

*§ 2907. ACCESSIBILITY STANDARDS; RESIDENTIAL
CONSTRUCTION*

(a) ~~For the purposes of~~ As used in this chapter, “residential construction” means new construction of one family or multifamily dwellings. “Residential construction” shall not include a single family dwelling built by the owner for the personal occupancy of the owner and the owner’s family, or the assembly or placement of residential construction that is prefabricated or manufactured out of state.

(b) Any residential construction shall be built to comply with all the following standards:

(1) At least one first floor exterior door that is at least 36 inches wide.

(2) First floor interior doors between rooms that are at least 34 inches wide or open doorways that are at least 32 inches wide with thresholds that are level, ramped, or beveled.

(3) Interior hallways that are level and at least 36 inches wide.

(4) Environmental and utility controls and outlets that are located at heights that are in compliance with standards adopted by the Vermont ~~access board~~ Access Board.

(5) Bathroom walls that are reinforced to permit attachment of grab bars.

(c) A violation of this section shall neither affect marketability nor create a defect in title of the residential construction.

(d) Prior to the sale of residential construction, a seller shall provide written disclosure to a prospective buyer detailing whether the residential construction is in compliance with the standards described in subsection (b) of this section. Disclosure shall be made on a form and in a manner prescribed by the Access Board.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.