

1 S.176

2 Introduced by Senators Pollina and Sirotkin

3 Referred to Committee on

4 Date:

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

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.