

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 359
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Authors: Runbeck and others

Subject: Modification and extension of income tax credit for reading

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Overview

Extends the reading credit by five years, through tax year 2019. Increases the maximum credit from \$2,000 to \$3,000.

Background. Laws 2014, chapter 308 enacted a refundable income tax credit for treatment of reading disorders for tax year 2014 only. The credit equals 75 percent of expenses up to a maximum of \$2,000 per child, and is not allowed for expenses used to claim the K-12 education deduction or credit or reimbursed by insurance. The credit is not subject to an income-based phaseout.

Section

- 1 Reading credit.** Modifies the income tax credit for reading by:
- ▶ increasing the maximum credit from \$2,000 to \$3,000 per qualifying child;
 - ▶ extending the credit to the cost of evaluation; and
 - ▶ changing the definition of a qualifying child to include:
 - children evaluated by a licensed psychologist;
 - children with dyslexia; and
 - children with a deficit in spelling.

Effective retroactive to tax year 2014.

- 2 Effective date.** Extends the reading credit by five years, through tax year 2019.