

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 780
Version: As introduced

DATE: March 16, 2015

Authors: Hamilton and others

Subject: Home disability access credit

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This bill provides a refundable income tax credit of up to \$9,000 to offset the cost of making a residence accessible for disabled and elderly individuals. The credit equals a percentage of the expenditures to improve the home so that it is accessible for a disabled or elderly owner, spouse, or tax dependent. The following types of improvements qualify for the credit, if certified as necessary by a licensed medical professional:

- no-step exterior entrances
- exterior or interior ramps
- stairway lifts and elevators
- handrails, grab bars, and door hardware
- widening exterior doors and hallways
- fire or smoke alarms and other alerting devices
- moving electrical switches and outlets
- environmental controls
- bathroom modifications such as accessible toilets, bathtubs, showers, plumbing, and fixtures
- kitchen modifications such as making countertops accessible
- cabinets, appliances, plumbing, and fixtures; or
- bedroom modifications such as relocating a bedroom to first floor

The percentage applied to qualified expenses to determine the credit ranges from 50 to 100 percent and varies based on the taxpayer's household income, relative to poverty thresholds (see table below). Household income is defined broadly to include most cash income, regardless of whether it is taxable or not; this is the same definition of household income that is used for purposes of several other refundable income tax credits. For individuals whose household income exceeds 450 percent of the federal poverty

threshold (maximum family size is 4 persons), the maximum credit is reduced by 25 percent of the amount over the federal poverty guideline.

Income relative to federal poverty guidelines	Credit rate	Maximum income for family of four (2015)
Less than 200%	100%	\$48,499
200% - 250%	90%	60,624
250% - 300%	80%	72,749
300% - 350%	70%	84,874
350 % - 400%	60%	96,999
400% - 450%	50%	109,124
More than 450%	Ineligible except under phase-out	

Effective date: Tax year 2015