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## INCOME TAX CREDIT FOR QUALIFIED RENOVATIONS

House Bill 4045

Sponsor: Rep. Douglas Bovin

Committee: Tax Policy

Complete to 8-9-01

### A SUMMARY OF HOUSE BILL 4045 AS INTRODUCED 1-25-01

The bill would amend the Income Tax Act to allow a taxpayer to claim a credit, up to \$5,000, for certain renovations made to his or her home, if he or she was a senior citizen with a disability or had a senior citizen with a disability living in his or her home. The credit could be taken only in the year the renovations were completed and could be claimed for only one tax year. The credit would be refundable; that is, if the amount of the credit exceeded the amount of tax owed, the amount by which the credit exceeded the taxpayer's liability would be refunded. (A credit is a direct reduction of a taxpayer's tax liability.)

The term "qualified renovations" would refer to renovations, additions, or other construction that were changes to accommodate the physical needs of a senior citizen or person with a disability, including bath bars, ramps, door widening, access change, and refitting of fixtures; the addition of a room; any change made to meet local or state building codes, ordinances, statutes, or rules that regulated housing for persons with disabilities; and safety features. The home in question would have to be an owner-occupied principal residence (or a "homestead" under the General Property Tax Act). A "senior citizen" under the bill would be a person 65 years of age or older. The term "person with a disability" would refer to the definition in Section 103 of the Persons with Disabilities Civil Rights Act. Generally speaking, the term in that act refers to a person with a determinable physical or mental characteristic resulting from disease, injury, congenital condition of birth, or functional disorder, if the characteristic substantially limits one or more of the major life activities of that person. It does not include a person whose physical or mental characteristics were caused by the use of alcoholic liquor or the current illegal use of a controlled substance.

House Bill 4045 (8-9-01)

Analyst: C. Couch

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