

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2178-01  
Bill No.: HB 1013  
Subject: Taxation and Revenue - General; Tax Credits; Disabilities; Department of Revenue  
Type: Original  
Date: March 26, 2019

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Bill Summary: This proposal re-authorizes provisions relating to the Disability Modification Tax Credit.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	\$0	(Less than \$15,000)	(Less than \$15,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>(Less than \$15,000)</b>	<b>(Less than \$15,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials at the **Office of Administration Division of Budget and Planning (B&P)** assume there is no direct impact on B&P, no direct impact on General or Total State Revenue and will not impact the calculation under Article X, Section 18(e).

Officials at the **Department of Revenue (DOR)** assume there is no fiscal impact from this proposal.

**Oversight** notes according to the Tax Credit Analysis submitted by the Department of Revenue regarding this program, the Residential Dwelling (Disabled Access for Homeowners) tax credit program had the following activity;

	FY 2016	FY 2017	FY 2018	FY 2019 (projected)	FY 2020 (projected)
Amount Redeemed	\$10,233	\$7,053	\$11,044	\$15,000	\$0

**Oversight** notes this tax credit is to sunset on December 31, 2019 and this proposal would extend the tax credit until December 31, 2025. Oversight will show the revenue reduction continuing in future years starting in FY 2021.

<b><u>FISCAL IMPACT - State Government</u></b>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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**GENERAL REVENUE**

Revenue Reduction - DOR §135.562 extension of the Residential Dwelling sunset date	\$0	(Less than <u>\$15,000</u> )	(Less than <u>\$15,000</u> )
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<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0</u></b>	<b>(Less than <u>\$15,000</u>)</b>	<b>(Less than <u>\$15,000</u>)</b>
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<b><u>FISCAL IMPACT - Local Government</u></b>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Currently, a taxpayer who has a federal adjusted gross income of \$30,000 or less that incurs costs, as defined in the bill, to make their principal dwelling accessible to an individual with a disability who permanently resides with the taxpayer may claim a tax credit of 50% of their costs, up to \$2,500.

This bill extends the tax credit program from December 31, 2019 to December 31, 2025.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue  
Office of Administration Division of Budget and Planning



Kyle Rieman  
Director  
March 26, 2019

Ross Strope  
Assistant Director  
March 26, 2019