

MAINE STATE LEGISLATURE

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DMC
ROFS

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L.D. 365

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Date: 6/3/15

(Filing No. H-277)

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TAXATION

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Reproduced and distributed under the direction of the Clerk of the House.

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STATE OF MAINE

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HOUSE OF REPRESENTATIVES

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127TH LEGISLATURE

8

FIRST REGULAR SESSION

9

COMMITTEE AMENDMENT "A" to H.P. 252, L.D. 365, Bill, "An Act To Provide a Tax Reduction for Modifications To Make a Home More Accessible for a Person with a Disability"

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Amend the bill by striking out everything after the enacting clause and inserting the following:

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'Sec. 1. 36 MRSA §5219-NN is enacted to read:

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§5219-NN. Credit for certain homestead modifications

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1. Credit allowed. A person with federal adjusted gross income not exceeding \$55,000 who makes qualified expenditures for the purpose of making all or any portion of an existing homestead, as defined in section 5219-II, subsection 1, paragraph C, accessible to an individual with a disability or physical hardship who resides or will reside in the homestead is allowed a credit against the tax otherwise imposed under this Part in an amount equal to the applicable percentage of the qualified expenditures or \$9,000, whichever is less.

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2. Qualified expenditures. An individual claiming a credit under this section must demonstrate to the Maine State Housing Authority that the homestead modifications for which the expenditures were incurred comply with applicable building standards governing home accessibility in the jurisdiction where the homestead is located and are consistent with standards adopted by the authority. The authority may adopt rules consistent with this section to identify the types of homestead modifications that will enable accessibility for individuals with disabilities or physical hardships. Rules adopted under this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

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3. Certification. The Maine State Housing Authority shall certify to the State Tax Assessor the total qualified expenditures made by an individual seeking to claim a credit under this section. The authority may contract with a public or private entity to make the certification required under this subsection.

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1 4. Limitations; carry-forward. The credit under this section must be taken in the
2 taxable year in which the qualified expenditures were incurred. Any unused portion of
3 the credit may be carried forward to the following year or years for a period not to exceed
4 4 years.

5 5. Applicable percentage. For the purposes of this section, "applicable percentage"
6 means:

7 A. For taxpayers with a federal adjusted gross income of \$0 to \$25,000, 100%;

8 B. For taxpayers with a federal adjusted gross income over \$25,000 but not over
9 \$30,000, 90%;

10 C. For taxpayers with a federal adjusted gross income over \$30,000 but not over
11 \$35,000, 80%;

12 D. For taxpayers with a federal adjusted gross income over \$35,000 but not over
13 \$40,000, 70%;

14 E. For taxpayers with a federal adjusted gross income over \$40,000 but not over
15 \$45,000, 60%; and

16 F. For taxpayers with a federal adjusted gross income over \$45,000 but not over
17 \$55,000, 50%.

18 6. Annual limit on credits. Credits approved under this section may not exceed
19 \$1,000,000 for any calendar year. If the \$1,000,000 annual limitation is reached, any
20 additional applications for a credit in that year must be held and given priority in
21 consideration in the following calendar year.

22 **Sec. 2. Application.** This Act applies to tax years beginning on or after January 1,
23 2016.

24 **Sec. 3. Appropriations and allocations.** The following appropriations and
25 allocations are made.

26 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
27 **Revenue Services, Bureau of 0002**
28 Initiative: Provides funding for computer programming costs.

29	GENERAL FUND	2015-16	2016-17
30	All Other	\$0	\$22,000
31			
32	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$22,000</u>

33	ADMINISTRATIVE AND FINANCIAL		
34	SERVICES, DEPARTMENT OF		
35	DEPARTMENT TOTALS	2015-16	2016-17
36			

COMMITTEE AMENDMENT

ROFS

COMMITTEE AMENDMENT "A" to H.P. 252, L.D. 365

1	GENERAL FUND	\$0	\$22,000
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3	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$22,000

4 **HOUSING AUTHORITY, MAINE STATE**
5 **Home Modification Certification Program N208**
6 Initiative: Provides funds for the cost of conducting the home modification certification.

7	GENERAL FUND	2015-16	2016-17
8	All Other	\$50,000	\$50,000
9			
10	GENERAL FUND TOTAL	\$50,000	\$50,000

11	HOUSING AUTHORITY, MAINE STATE		
12	DEPARTMENT TOTALS	2015-16	2016-17
13			
14	GENERAL FUND	\$50,000	\$50,000
15			
16	DEPARTMENT TOTAL - ALL FUNDS	\$50,000	\$50,000

17	SECTION TOTALS	2015-16	2016-17
18			
19	GENERAL FUND	\$50,000	\$72,000
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21	SECTION TOTAL - ALL FUNDS	\$50,000	\$72,000
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23 **SUMMARY**

24 This amendment replaces the bill, which was a concept draft, and creates an income
25 tax credit for expenses incurred for certain modifications to make a homestead accessible
26 to an individual with a disability or physical hardship who resides or will reside in the
27 homestead if the taxpayer's federal adjusted gross income does not exceed \$55,000. The
28 credit is capped at \$1,000,000 annually. The amendment also adds an appropriations and
29 allocations section.

30 **FISCAL NOTE REQUIRED**

31 (See attached)

COMMITTEE AMENDMENT



127th MAINE LEGISLATURE

LD 365

LR 1218(02)

An Act To Provide a Tax Reduction for Modifications To Make a Home More Accessible for a Person with a Disability

Fiscal Note for Bill as Amended by Committee Amendment "A(CH-277)"
Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2015-16	FY 2016-17	Projections FY 2017-18	Projections FY 2018-19
Net Cost (Savings)				
General Fund	\$50,000	\$143,250	\$171,125	\$185,375
Appropriations/Allocations				
General Fund	\$50,000	\$72,000	\$50,000	\$50,000
Revenue				
General Fund	\$0	(\$71,250)	(\$121,125)	(\$135,375)
Other Special Revenue Funds	\$0	(\$3,750)	(\$6,375)	(\$7,125)

Fiscal Detail and Notes

This legislation creates a tax credit for expenses incurred for certain home modifications to make a homestead accessible to an individual with a disability or physical hardship and would result in a reduction in General Fund revenue of \$71,250 in fiscal year 2016-17 and a reduction in Local Government Fund revenue of \$3,750 in fiscal year 2016-17. The bill includes a one-time General Fund appropriation to the Department of Administrative and Financial Services of \$22,000 in fiscal year 2016-17 for computer programming charges.

This bill also includes General Fund appropriations of \$50,000 per year beginning in fiscal year 2015-16 to a newly created Home Modification Certification program within the Maine State Housing Authority for the cost of making the required certification.