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## DIGEST

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HB 337 Reengrossed

2017 Regular Session

Stokes

**Abstract:** Expands the individual income tax credit for the inclusion of accessible and barrier-free design elements in the construction of certain dwellings and provides for a program cap.

Present law authorizes a credit against individual income tax for the owner of a newly constructed one- or two-family dwelling that includes certain accessible and barrier-free design elements. Eligibility is limited to individuals who own such a dwelling, claim the homestead exemption thereon, and the dwelling meets all of the design elements necessary for claiming the tax credit.

Present law further requires that the tax credit be taken in the taxable year in which the construction is completed. The credit is limited to the lesser of \$720 or 72% of the taxpayer's total tax liability. Only one tax credit may be granted per dwelling.

Proposed law adds existing dwellings that are renovated to include accessible and barrier-free design elements as a dwelling for which a taxpayer may be eligible to receive the credit.

Proposed law changes the amount of the credit from the lesser of \$720 or 72% of the taxpayer's total tax liability to the lesser of \$5,000 or the cost of the construction. Further authorizes excess, unused credit to be carried forward and applied to subsequent tax liability for five years.

Present law requires the dwelling to meet certain standards to be eligible for the tax credit.

Proposed law requires the renovation of an existing dwelling to meet any of the standards enumerated in present law to be eligible for the tax credit.

Proposed law establishes a program cap not to exceed \$500,000 in credits granted by the Dept. of Revenue each calendar year and provides for the claim of credits on a first-come, first-served basis. A taxpayer whose claim is disallowed due to the cap may claim the credit in the next calendar year and have priority over other claims. Allows any amount not granted to roll over to subsequent years.

Effective Jan. 1, 2018.

(Amends R.S. 47:297(P)(1), (2), (3)(intro. para.), and (5))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Add provisions that the claims of credits are on a first-come, first-served basis and allows taxpayer whose claims is disallowed due to the cap to claim the credit in the next calendar year and have priority over other claims.

The House Floor Amendments to the engrossed bill:

1. Delete the requirement that a dwelling meet all accessibility standards required by federal law to be eligible for the credit.
2. Clarify that a new dwelling is required to meet all of the requirements in present law and that a renovated dwelling is required to meet any requirement in present law.
3. Change the amount of the credit from \$5,000 to \$5,000 or the cost of the construction or renovation, whichever is less.
4. Make technical changes.