

RÉSUMÉ DIGEST

ACT 270 (HB 337)

2017 Regular Session

Stokes

Existing 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.

Existing law limits eligibility to individuals who own and have claimed the homestead exemption on the dwelling, and the dwelling meets all of the design elements necessary for claiming the tax credit. Further requires that the tax credit be taken in the taxable year in which the construction is completed.

New law adds, to the structures eligible for the credit, existing dwellings if the taxpayer, the taxpayer's spouse, or an individual who qualifies as a dependent of the taxpayer for purposes of determining the taxpayer's federal income tax liability and who resides with the taxpayer has a physical disability that requires, or will require, the inclusion of such accessible and barrier-free design elements in the dwelling.

New law further provides that if the dwelling is co-owned in division by two or more taxpayers who qualify for and claim a homestead exemption on the dwelling, the credit allowed to each taxpayer shall be limited to the pro-rata ownership interest of the taxpayers.

Prior law limited the amount of the credit to the lesser of \$720 or 72% of the taxpayer's total tax liability.

Prior law sunset the reduction to the amount of the credit on June 30, 2018, thereby reinstating the amount of the credit to the lesser of \$1,000 or 100% of the taxpayer's total tax liability.

New law makes prior law ineffective with respect to the amount of the credit being reinstated to the lesser of \$1,000 or 100% of the taxpayer's total tax liability on June 30, 2018, and increases the amount of the credit 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.

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

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

New law provides that the taxpayer shall be allowed to claim the tax credit if any individual in the taxpayer's household has a physical disability that requires, or will require, the inclusion of accessible and barrier-free design elements in the dwelling, provided that such individual who, for the taxable year of the taxpayer, has as his principal place of abode the home of the taxpayer and can be identified as a member of the taxpayer's household.

New law authorizes a taxpayer to claim the tax credit if there is a valid and enforceable contract of lease between the taxpayer and any individual who occupies and resides in any portion of the dwelling pursuant to the terms of the contract of lease and who has a physical disability that requires, or will require, the inclusion of accessible and barrier-free design elements in the dwelling.

New 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.

New law is applicable to all taxable periods beginning on or after Jan. 1, 2018.

Effective January 1, 2018.

(Amends R.S. 47:297(P)(1), (2), (3)(intro. para.), and (5); Adds R.S. 47:297(P)(6) and (7))