

1 S.294

2 Introduced by Senator Lyons

3 Referred to Committee on

4 Date:

5 Subject: Taxation; income tax; deduction; disability accessibility

6 Statement of purpose of bill as introduced: This bill proposes to create a State  
7 income tax deduction to mitigate the expense of home modifications required  
8 by a disability or physical hardship. The deduction is for a percentage of the  
9 expense or \$9,000.00, whichever is less. The percentage of the deduction that  
10 may be taken varies depending on the income of the person claiming the  
11 deduction.

12 An act relating to an income tax deduction for home modifications required  
13 by a disability or physical hardship

14 It is hereby enacted by the General Assembly of the State of Vermont:

15 Sec. 1. 32 V.S.A. § 5823 is amended to read:

16 § 5823. VERMONT INCOME OF INDIVIDUALS, ESTATES, AND  
17 TRUSTS

18 (a) For any taxable year, the Vermont income of a resident individual is the  
19 adjusted gross income of the individual for that taxable year, and the Vermont  
20 income of a resident estate or trust is its gross income for the taxable year, less:

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(8) The amount paid by the State of Vermont pursuant to 20 V.S.A. chapter 181 to the extent that such amount is included in the federal adjusted gross income of the taxpayer for the taxable year.

(9) The amount of any expenditures for the purpose of making all or any portion of an existing homestead accessible to an individual with a disability or physical hardship, or making all or any portion of an existing homestead accessible so that an individual with a disability or physical hardship may visit, in an amount equal to the applicable percentage of the home modification or \$9,000.00, whichever is less.

(A) The deduction under this subdivision (9) may be claimed by the taxpayer for home modifications made to his or her homestead or the homestead of a lineal ascendant or descendant relative.

(B) In order to claim the deduction, the taxpayer must demonstrate to the Commissioner of Taxes that the expenses incurred were necessary to make a home more accessible, and the taxpayer shall document the expenses to the satisfaction of the Commissioner. The Department of Taxes is authorized to adopt rules or procedures to implement this deduction.

(C) As used in this subdivision (9), “applicable percentage of the home modification” means:



1       Sec. 2. EFFECTIVE DATE

2               Notwithstanding 1 V.S.A. § 214, this act shall take effect retroactively on

3       January 1, 2018, and apply to tax year 2018 and after.