

House File 527 - Introduced

HOUSE FILE 527

BY BEST

A BILL FOR

1 An Act creating a home retrofitting tax credit available
2 against the individual income tax, and including
3 applicability provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 422.12N Home retrofitting tax
2 credit.

3 1. For purposes of this section, unless the context
4 otherwise requires:

5 a. "*Home retrofitting*" means any of the following projects
6 performed on a qualified residence by a qualified person for
7 the purpose of increasing the accessibility of the qualified
8 residence:

- 9 (1) Constructing an entrance or exit ramp.
- 10 (2) Widening doorways at entrances or exits.
- 11 (3) Installing railings, support bars, handrails, or grab
12 bars or other such modifications to a bathroom.
- 13 (4) Installing handrails or grab bars in areas other than
14 the bathroom.
- 15 (5) Adapting a home to include a bedroom and full bathroom
16 on the main floor of the residence.
- 17 (6) Lowering or modifying kitchen cabinets and equipment.
- 18 (7) Moving or modifying electrical outlets and fixtures.
- 19 (8) Installing porch lifts and other forms of lifts.
- 20 (9) Modifying fire alarms, smoke detectors, and other
21 warning systems.
- 22 (10) Modifying stairways.
- 23 (11) Modifying hardware on doors.
- 24 (12) Modifying areas in front of entrance and exit doorways.
- 25 (13) Grading the ground to provide access to the residence.
- 26 (14) Installing nonslip flooring.
- 27 (15) Creating level flooring.
- 28 (16) Installing bright lighting at entrances or exits or
29 throughout the house.
- 30 (17) Installing assistive technologies and devices.
- 31 (18) Relocating laundry facilities.

32 b. "*Qualified person*" means a certified aging-in-place
33 specialist or a universal design certified professional.

34 c. "*Qualified residence*" means the same as defined in
35 section 163(h)(4)(A) of the Internal Revenue Code which is

1 owned by at least one person fifty years of age or older.

2 2. The taxes imposed under this division less the credits
3 allowed under section 422.12 shall be reduced by a home
4 retrofitting tax credit, not to exceed five thousand dollars,
5 of the actual costs of the home retrofitting project on a
6 qualified residence.

7 3. *a.* To claim a tax credit under subsection 2, a taxpayer
8 must include one or more tax credit certificates with the
9 taxpayer's tax return. A tax credit certificate shall not be
10 included with a return filed for a taxable year beginning prior
11 to the tax year listed on the certificate.

12 *b.* The tax credit certificate shall contain the taxpayer's
13 name, address, tax identification number, the amount of the
14 credit, and any other information required by the department.

15 *c.* The tax credit certificate, unless rescinded by the
16 department, shall be accepted by the department as payment for
17 taxes imposed pursuant to this division.

18 *d.* Any tax credit in excess of the taxpayer's liability
19 for the tax year is not refundable but may be credited to the
20 tax liability for the following five years or until depleted,
21 whichever is earlier.

22 *e.* The tax credit shall not be carried back to a tax year
23 prior to the tax year in which the taxpayer first receives the
24 tax credit.

25 *f.* A taxpayer shall not be eligible for credits exceeding
26 thirty thousand dollars, in the aggregate, during the lifetime
27 of the taxpayer.

28 4. *a.* The department shall develop a system for the
29 application, review, and authorization of tax credits awarded
30 pursuant to this section and shall control the issuance of all
31 tax credit certificates.

32 *b.* The department shall review and preliminarily approve
33 applications that appear to meet the requirements of this
34 section, and notify the applicant of the department's decision
35 and the estimated value of the tax credit if the project is

1 preliminarily approved. The notice shall state that receipt
2 of the tax credit is contingent on the home retrofitting
3 project complying with this section, and shall describe the
4 requirements of this section including eligible projects and
5 that the work must be performed by a qualified person.

6 5. Married taxpayers electing to file separate returns or
7 filing separately on a combined return may avail themselves
8 of the home retrofitting tax credit by allocating the home
9 retrofitting tax credit to each spouse in the proportion that
10 each spouse's respective earned income bears to the total
11 combined earned income.

12 6. The department shall adopt rules pursuant to chapter 17A
13 to administer this chapter.

14 Sec. 2. APPLICABILITY. This Act applies to tax years
15 beginning on or after January 1, 2020.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with
18 the explanation's substance by the members of the general assembly.

19 This bill creates a home retrofitting tax credit against the
20 individual income tax.

21 The bill lists numerous "home retrofitting" projects that
22 qualify for the credit which relate to providing accessibility
23 to a qualifying residential home. The bill defines "qualifying
24 residence" to mean the same as defined in section 163 of the
25 Internal Revenue Code which is owned by a person 50 years of
26 age or older. The bill defines "qualified person" to mean
27 a certified aging-in-place specialist or a universal design
28 certified professional.

29 The amount of the credit shall not exceed \$5,000 of the
30 actual costs of the home retrofitting project on a qualified
31 residence.

32 The bill limits the credit to \$30,000, in the aggregate,
33 during the lifetime of the taxpayer.

34 A credit provided in the bill in excess of tax liability is
35 not refundable but the excess for the tax year may be credited

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1 to the tax liability for the following five years or until
2 depleted, whichever occurs first.

3 The department of revenue is required to develop a system
4 for the application, review, and authorization of tax credits
5 awarded pursuant to the bill and shall control the issuance of
6 all tax credit certificates.

7 The bill applies to tax years beginning on or after January
8 1, 2020.