

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 870**

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DATE	D-PG	OFFICIAL STATUS
02/16/2015	309	Introduction and first reading
		Referred to Health, Human Services and Housing
03/25/2015		Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act  
 1.2 relating to taxation; individual income; providing a tax credit for modification  
 1.3 or improvements to homes of people with disabilities; appropriating money;  
 1.4 proposing coding for new law in Minnesota Statutes, chapter 290.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. [290.0661] CREDIT FOR DISABLED ACCESSIBILITY HOME  
 1.7 MODIFICATIONS.

1.8 Subdivision 1. Definitions. (a) For purposes of this section, the following terms  
 1.9 have the meanings given.

1.10 (b) "Accommodate" means to make a residence accessible for a qualified person in a  
 1.11 manner that is necessary because:

1.12 (1) the qualified person has a disability; or

1.13 (2) the qualified person is age 65 or older and has a disability or another physical  
 1.14 limitation.

1.15 (c) "Federal poverty guidelines" means the federal poverty guidelines published by  
 1.16 the United States Department of Health and Human Services most recently before the first  
 1.17 day of the calendar year in which the taxable year began.

1.18 (d) "Medical provider" means a physician, licensed under chapter 147, or a primary  
 1.19 care provider as defined in section 148.171, subdivision 17a.

1.20 (e) "Qualified modifications or improvements" means modifications or improvements  
 1.21 to the taxpayer's principal residence, as used in section 121 of the Internal Revenue Code  
 1.22 and located in this state, to accommodate a qualified person and must:

1.23 (1) consist of one or more of the following:

1.24 (i) no-step exterior entrances;

- 2.1 (ii) exterior or interior ramps;
- 2.2 (iii) stairway lifts;
- 2.3 (iv) elevators;
- 2.4 (v) lifts;
- 2.5 (vi) handrails;
- 2.6 (vii) grab bars or reinforcement of grab bars;
- 2.7 (viii) door hardware;
- 2.8 (ix) widening exterior doors to more than 36 inches;
- 2.9 (x) widening interior doors to more than 32 inches;
- 2.10 (xi) widening hallways to more than 36 inches;
- 2.11 (xii) fire or smoke alarms;
- 2.12 (xiii) alerting devices;
- 2.13 (xiv) moving electrical service, including but not limited to outlets and switches;
- 2.14 (xv) environmental controls, including but not limited to heating and cooling
- 2.15 equipment;
- 2.16 (xvi) bathroom modifications, including but not limited to accessible toilets,
- 2.17 bathtubs, showers, plumbing, and fixtures;
- 2.18 (xvii) kitchen modifications, including but not limited to accessible countertops,
- 2.19 cabinets, appliances, plumbing, and fixtures; or
- 2.20 (xviii) bedroom modifications, including but not limited to relocation to an
- 2.21 accessible space in the home;
- 2.22 (2) be certified by a medical provider as necessary to accommodate the qualified
- 2.23 person's use of the residence;
- 2.24 (3) consist of improvements or attachments to real property; and
- 2.25 (4) not be the construction of a new residence or an addition to a residence that
- 2.26 expands its living area beyond the items enumerated in clause (1).
- 2.27 (f) "Qualified person" means a taxpayer, the taxpayer's spouse, or the taxpayer's
- 2.28 dependents, as defined in section 152 of the Internal Revenue Code, who has attained
- 2.29 the age of 65 before the close of the taxable year or who has a disability, as defined in
- 2.30 section 363A.03, subdivision 12.
- 2.31 Subd. 2. **Credit allowed.** (a) A credit is allowed against the tax imposed under this
- 2.32 chapter on individuals equal to the lesser of:
- 2.33 (1) the amount paid during the taxable year for qualified modifications or
- 2.34 improvements to a residence to accommodate its use by a qualified person multiplied by
- 2.35 the applicable percentage under paragraph (b); or
- 2.36 (2) \$9,000.

3.1 (b) The applicable percentage for a taxpayer must be determined based on the  
 3.2 taxpayer's income, as defined in section 290.067, subdivision 2a, relative to the federal  
 3.3 poverty guidelines as provided in the following table with family size to be determined  
 3.4 by the number of the taxpayer's and spouse's personal and dependent exemptions, but  
 3.5 not to exceed four, for the taxable year:

<u>Income relative to federal poverty guideline</u>	<u>Applicable percentage</u>
<u>Less than 200 percent</u>	<u>100 percent</u>
<u>200 percent or more, but less than 250 percent</u>	<u>90 percent</u>
<u>250 percent or more, but less than 300 percent</u>	<u>80 percent</u>
<u>300 percent or more, but less than 350 percent</u>	<u>70 percent</u>
<u>350 percent or more, but less than 400 percent</u>	<u>60 percent</u>
<u>400 percent or more, but less than 450 percent</u>	<u>50 percent</u>
<u>Over 450 percent</u>	<u>not eligible, except as provided under paragraph (c)</u>

3.20 (c) For taxpayers with incomes greater than 450 percent of the federal poverty  
 3.21 guideline, the maximum allowable credit is reduced by an amount equal to 25 percent of  
 3.22 the taxpayer's income over 450 percent of the federal poverty guideline amount.

3.23 (d) The credit under this section does not apply to any amounts for which  
 3.24 reimbursement is received under any other federal, state, or local government program or  
 3.25 from a private entity, such as an insurance company or in settlement of a claim or lawsuit.  
 3.26 The taxpayer or spouse must not claim this tax credit for a taxable year following a taxable  
 3.27 year in which the taxpayer or spouse claimed the credit under this section.

3.28 Subd. 3. **Credit refundable.** If the amount of credit that the individual is eligible to  
 3.29 receive under subdivision 2 exceeds the individual's tax liability under this chapter, the  
 3.30 commissioner shall refund the excess to the individual.

3.31 Subd. 4. **Appropriation.** An amount sufficient to pay the refunds required by this  
 3.32 section is appropriated to the commissioner from the general fund.

3.33 **EFFECTIVE DATE.** This section is effective for taxable years beginning after  
 3.34 December 31, 2014.