

PRELIMINARY STAFF MEASURE SUMMARY

CARRIER:

Senate Committee on Human Services and Early Childhood

REVENUE: May have revenue impact, statement not yet issued

FISCAL: May have fiscal impact, statement not yet issued

SUBSEQUENT REFERRAL TO: Tax Credits

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Cheyenne Ross, Administrator

Meeting Dates: 3/3

WHAT THE MEASURE DOES: Extends sunset for tax credit for elderly or permanently and totally disabled.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

BACKGROUND: The tax credit for elderly or permanently disabled persons may be intended to provide financial assistance to lower income elderly or disabled individuals. Eligible taxpayers may claim both federal and state credits. The federal credit can be as much as \$5,000 for single filers and \$7,500 for joint filers. The amount of the state credit is 40 percent of the federal credit. This tax credit is currently claimed by fewer than 1,500 taxpayers each year and accounts for a total tax reduction that was about \$20,000 in 2005 and grew to about \$75,000 in 2012. The average tax reduction was roughly \$55. (*2016 Expiring Tax Credits*, Research Report No. 2-15, Legislative Revenue Office, February 2015.)

Senate Bill 41 extends the sunset for the tax credit for elderly or permanently disabled from 2016 to 2022.