

2015 JOINT COMMITTEE ON TAX CREDITS

78th Legislative Assembly

Disability Tax Credits

Tax Expenditures 1.404, 1.409, 1.410 & 1.411

2016 Expiring Tax Credits: pages 55-62

House Bills: 2119 & 2122

Senate Bills: 40, 41, 42, & 43

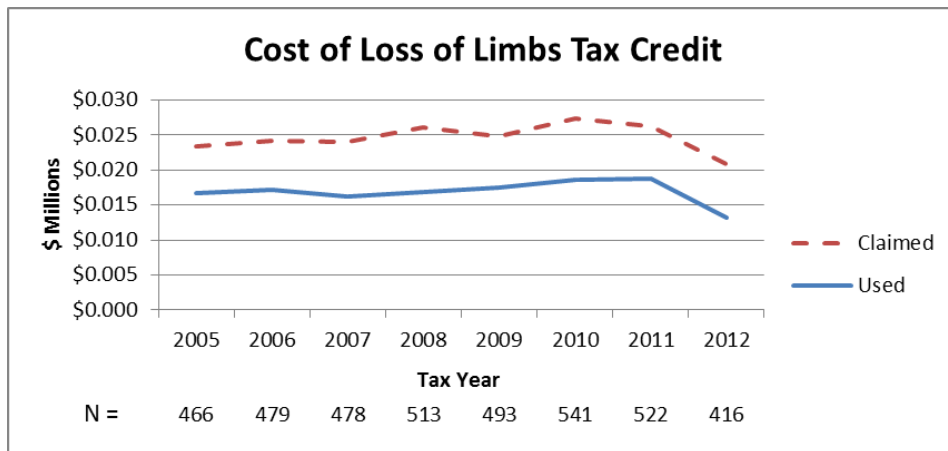
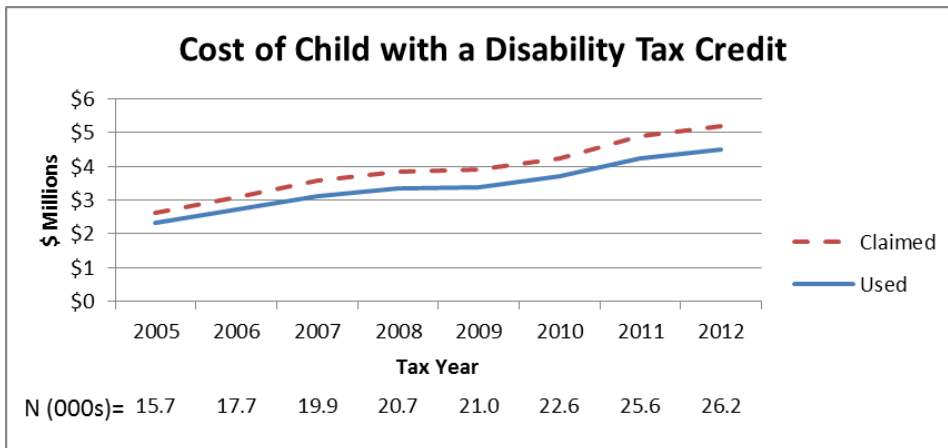
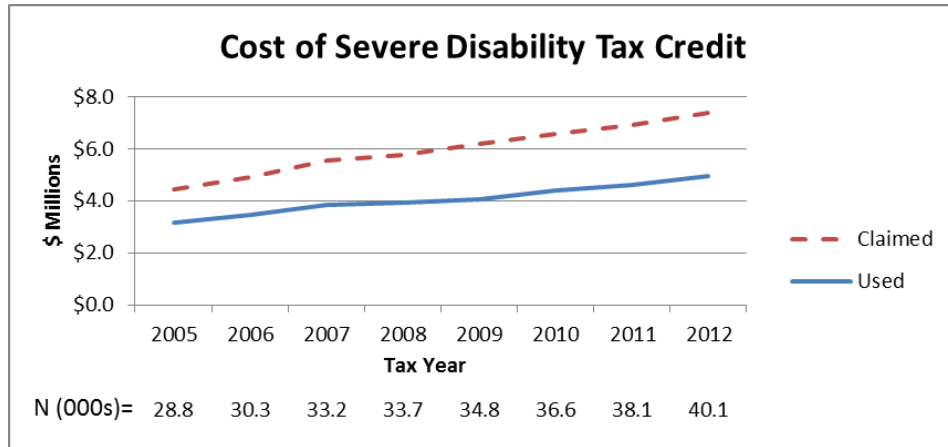
Current Law

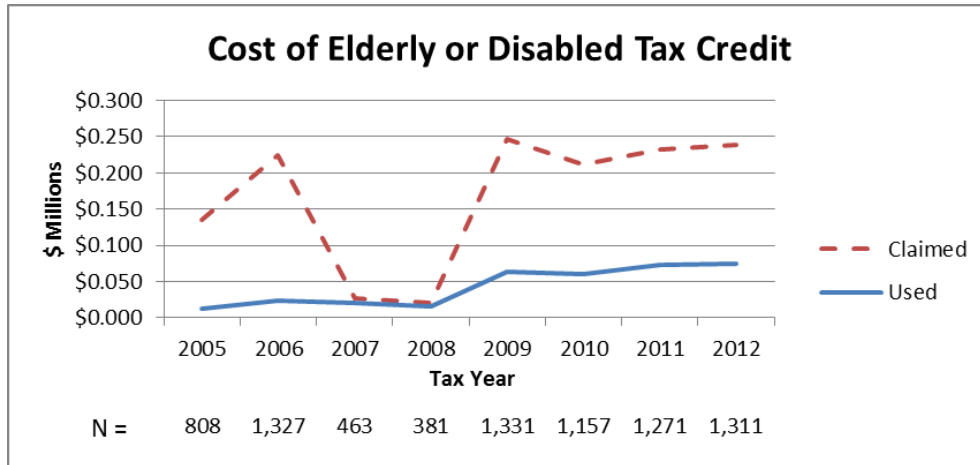
1. **Severe Disability:** Individuals and spouses with a severe disability are allowed to claim an extra personal exemption credit. The tax credit is indexed to inflation and is \$194 in 2015.
2. **Child with a Disability:** Individuals who have a dependent child with a disability are allowed to claim an extra personal exemption credit. The tax credit is indexed to inflation and is \$194 in 2015.
3. **Loss of Limbs:** Individuals with a permanent and complete loss of function of at least two limbs are allowed a tax credit of \$50. Eligible spouses are also eligible for the same tax credit.
4. **Elderly or Disabled:** Individuals are allowed a credit equal to 40 percent of the federal elderly or disabled tax credit.

Proposed Changes

1. The Severe Disability tax credit
 - a. SB 43 extends the tax credit through tax year 2021
 - b. HB 2119 extends the tax credit through 2021 with a means test at \$100,000
2. The Child with a Disability tax credit
 - a. SB 40 extends the tax credit through tax year 2021
 - b. HB 2122 extends the tax credit through 2021 with a means test at \$100,000
3. SB 41 extends the Elderly/Disabled tax credit through 2021
4. SB 42 extends the Loss of Limbs tax credit through 2021

Historical Use and Revenue Impact





House Package

Policy	Bill Number	Revenue Impact \$M		
		2015-17	2017-19	2019-21
Severe Disability	HB 2119	-\$5.7	-\$12.5	-\$13.6
Child with a Disability	HB 2122	-\$5.5	-\$12.4	-\$13.6
Total		-\$11.2	-\$24.9	-\$27.2

Senate Package

Policy	Bill Number	Revenue Impact \$M		
		2015-17	2017-19	2019-21
Severe Disability	SB 43	-\$6.20	-\$13.60	-\$14.80
Child with a Disability	SB 40	-\$6.20	-\$13.80	-\$15.50
Loss of Limbs	SB 42	-\$0.02	-\$0.03	-\$0.03
Elderly/Disabled	SB 41	-\$0.07	-\$0.15	-\$0.15
Total		-\$12.5	-\$27.6	-\$30.5

Technical Considerations