

Revenue Information Bulletin No. 18-027
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Individual Income Tax

Changes to the Tax Credit for Accessible and Barrier-Free Home Design
Act 270 of the 2017 Regular Session

Act 270 of the 2017 Regular Session of the Louisiana Legislature made several changes to the nonrefundable individual income tax credit for accessible and barrier free homes (LA R.S. 47:297(P)). The purpose of this guidance is to summarize the credit and its administration for taxpayers seeking to utilize the credit for all tax years beginning on or after January 1, 2018.

Eligibility for the Credit

The credit is available to taxpayers who include accessible and barrier-free design elements in the construction of a new one or two family dwelling or the renovation of an existing dwelling of the taxpayer. A taxpayer is eligible to claim the credit if any individual in the taxpayer's household has a physical disability that currently requires, or will require, the inclusion of such design elements in the dwelling. The individual who has the physical disability must also have his or her principal place of abode at the taxpayer's home and must be identified as a member of the household for the tax year in question.

A newly constructed dwelling that meets all of the following requirements or a renovated dwelling that meets any of the following requirements shall be deemed to include accessible and barrier-free design elements for purposes of this tax credit:

1. It has one zero-step entrance at the front, back or side of the residence.
2. All main floor doors have clear passage space of at least 32 inches between doorjambs and strikes with the door at a 90-degree angle.
3. All hallways and passages on the main floor have at least 36 inches of clear width to the accessible bathroom and eating area.
4. The main floor has at least a half bath with a minimum five-foot diameter of free and clear floor space.

The credit is also allowed in any instance where there is a valid and enforceable lease contract between the taxpayer and an individual with a physical disability that requires, or will require, accessible and barrier-free design elements if the individual inhabits any portion of the dwelling.

Credit Amount, Utilization, and Cap

The credit amount for any project is the lesser of \$5,000 or the cost of the construction or renovation. The credit is earned in and may be claimed on the return for the taxable year in which

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the construction or renovation is completed. The taxpayer must fully complete and submit Form R-1089 with the tax return in order to claim the credit. Form R-1089, *Accessible and Barrier-Free Home Design Tax Credit for Individuals*, requires a written declaration from a doctor that a member of the taxpayer's household has a disability that requires or will require the inclusion of these design elements. Form R-1089 also requires a signed declaration from both the building inspector and the contractor that the building plans and construction at the dwelling in question contain the four elements listed above.

The total amount of credits granted in any taxable year is limited to \$500,000 and the credits will be granted on a first-come, first-serve basis. Any taxpayer who claims the credit in a calendar year in which the \$500,000 annual cap has been exceeded may claim the credit on their income tax return in the next calendar year and the claim will have priority over other claims after the date the original claim was made.

Questions concerning this publication may be submitted by e-mail to Policy.Publications@La.gov.

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Secretary

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