

Safe at Home Act of 2015

**Before the Committees on Housing and Community Development and
Finance and Revenue**

**The Honorable Anita Bonds and
The Honorable Jack Evans,
Chairpersons**

**October 27, 2015, 10:00 AM
Room 120, John A. Wilson Building**



**Testimony of
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**Jeffrey S. DeWitt
Chief Financial Officer
Government of the District of Columbia**

Good morning Chairpersons Bonds and Evans, and members of the Committees on Housing and Community Development and Finance and Revenue. I am Robert McKeon, Deputy Chief Counsel for the Office of Tax and Revenue. I am pleased to present testimony on Bill 21-316, the “Safe at Home Act of 2015.”

The Bill would create a grant program and a tax credit. The grant program would be administered by the Mayor, and the tax credit would be administered by the Chief Financial Officer through the Office of Tax and Revenue. Each benefit is exclusive of the other and cannot be combined. As I am here on behalf of the Chief Financial Officer, I will limit my testimony to the tax credit portion of the Bill.

Property owners and housing cooperative members who install an accessibility modification to their homesteads would be allowed a non-refundable income tax credit. An accessibility modification would remove a physical barrier within a home for someone who is physically disabled. The credit would be the lesser of 50% of the total amount expended or \$5,000. The credit would be claimed in the tax year when the installation of the accessibility modification was completed, and the excess credit could be carried forward for up to 5 tax years.

The person claiming the tax credit may or may not be the person who is disabled for which the modification was made. Therefore the credit would be available to property owners who make accessibility modifications for live-in relatives and renters.

The Bill would be subject to an annual funding cap. In the event the claims for credits exceed the cap, all credits would be prorated. OTR would ask that this provision be removed as it would pose administrability difficulties. In the event it shall remain, OTR would request that a definitive deadline be established without extension whereby one may claim the credit.

The definition of disability is broad and does not require certification from a governmental entity or an assessment of the extent of the disability. OTR would ask for purposes of administrability that such definition be further premised on a specific finding from a governmental entity of such disability with assessment of the nature and extent thereof.

Lastly, OTR would ask that the rulemaking provision be amended so that the Mayor would assist OTR in drafting rules which OTR would thereafter promulgate. The Mayor's agencies will have specific knowledge of guidelines for

the types of accessibility modifications that are appropriate for the applicable disability.

Thank you, Chairpersons Bonds and Evans, for the opportunity to comment on this Bill. I would be happy to answer any questions at this time.

ADDENDUM OF SUGGESTED TECHNICAL FIXES

Pg. 3, line 101 – Strike the phrase “a home” and insert the phrase “an eligible residence” in its place. The latter is a defined phrase that is sufficient.

Pg. 3, lines 101-102 – Strike the phrase “mobility impairment or other” as mobility impairment is not defined.

Pg. 3, line 110 – After “modification” insert “in an eligible residence”.

Pg. 3, line 113 – Strike “an” and insert “the”.

Pg. 4, lines 122-124 – Strike para. 5 in its entirety. It will be difficult to administer and the taxpayer’s intent could change later but have been proper at the time. The definition of “eligible residence” is sufficient.

Pg. 4, line 128 – Insert “eligible” before “resident”.

Pg. 4, line 129 – Strike the phrase “their principal place of residence” and insert the phrase “his or her eligible residence” in its place.

Pg. 4, line 130 – Strike “resident” and insert “the accessibility modification” in its place.

Pg. 4, lines 131-132 – It appears that the credit may not be just one-time but instead may be claimed multiple times in different tax years based on different renovations. Please review the intent.

Pg. 5, lines 135-137 – Strike subsection (c) in its entirety. OTR cannot prorate without an absolutely fixed filing deadline.

Need applicability date, e.g. Title 2 of this act shall apply to tax years beginning after December 31, 2015.

Rulemaking. Please revise as stated below:

“§ 47-1806.12c Safe at home tax credit – Rulemaking.

“The Mayor shall assist the CFO in drafting rulemaking to implement the provisions of this section, including guidelines for eligibility requirements of accessibility modifications, consistent with current standards of aging-in-place improvements.”.