Policy & Research
915 SW Harrison St
Topeka KS 66612-1588
Nick Jordan, Secretary
Richard Cram, Director

Department of Revenue

Phone: 785-296-3081
FAX: 785-296-7928
www.ksrevenue.org
Sam Brownback, Governor

Notice 14-06

Disabled Accessibility Credit For Dwellings Reenacted

Disabled Accessibility Credit For Facilities Or Equipment Used In A Trade Or Businesses Extended to Additional Taxpayers

(July 1, 2014)

During the 2014 Legislative Session Senate Bill 265 was passed and signed into law. New Section 5 of the Bill reenacts the disabled accessibility credit of dwellings that was found in K.S.A. 79-32,177 prior to its repeal during the 2012 Legislative Session. The reenacted provisions are effective for tax year 2013 and later years. Specifically, New Section 5 provides:

> New Sec. 5. (a) Any resident individual taxpayer who makes expenditures for the purpose of making all or any portion of an existing facility accessible to individuals with a disability, which facility is used as, or in connection with, such taxpayer's principal dwelling or the principal dwelling of a lineal ascendant or descendant, including construction of a small barrier-free living unit attached to such principal dwelling, shall be entitled to claim a tax credit in an amount equal to the applicable percentage of such expenditures or $9,000, whichever is less, against the income tax liability imposed against such taxpayer pursuant to article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto. Nothing in this subsection shall be deemed to prevent any such taxpayer from claiming such credit: (1) For each principal dwelling in which the taxpayer or lineal ascendant or descendant may reside, or facility used in connection therewith; or (2) more than once, but not more often than once every four-year period of time. The applicable percentage of such expenditures eligible for credit shall be as set forth in the following schedule:

Taxpayers Federal Adjusted Gross Income	% of expenditures eligible for credit
$0 to $25,000	100%
Over $25,000 but not over $30,000	90%
Over $30,000 but not over $35,000	80%
Over $35,000 but not over $40,000	70%
Over $40,000 but not over $45,000	60%
Over $45,000 but not over $55,000	50%
Over $55,000	0

Such tax credit shall be deducted from the taxpayer's income tax liability for the taxable year in which the expenditures are made by the taxpayer. If the amount of such tax credit exceeds the taxpayer's income tax liability for such taxable year, the amount thereof which exceeds such tax liability may be carried over for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from tax liability, except that no such tax credit shall be carried over for deduction after the fourth taxable year succeeding the taxable year in which the expenditures are made.

(b) Notwithstanding the provisions of subsection (a), if the amount of the taxpayer's tax liability is less than $2,250 in the first year in which the credit is claimed under this section, an amount equal to the amount by which 1⁄4 of the credit allowable under this section exceeds such tax liability shall be refunded to the taxpayer and the amount by which such credit exceeds such tax liability less the amount of such refund may be carried over for the next three succeeding taxable years. If the amount of the taxpayer's tax liability is less than $2,250 in the second year in which the credit is claimed under this section, an amount equal to the amount by which 1⁄3 of the amount of the credit carried over from the first taxable year exceeds such tax liability shall be refunded to the taxpayer and the amount by which the amount of the credit carried over from the first taxable year exceeds such tax liability less the amount of such refund may be carried over for the next two succeeding taxable years. If the amount of the taxpayer's tax liability is less than $2,250 in the third year in which the credit is claimed under this section, an amount equal to the amount by which 1⁄2 of the amount carried over from the second taxable year exceeds such tax liability shall be refunded to the taxpayer and the amount by which the amount of the credit carried over from the second taxable year exceeds such tax liability less the amount of such refund may be carried over to the next succeeding taxable year. If the amount of the credit carried over from the third taxable year exceeds the taxpayer's income tax liability for such year, the amount thereof which exceeds such tax liability shall be refunded to the taxpayer.

(c) The provisions of this section are applicable to tax year 2013, and all tax years thereafter.

Senate Bill 265 is effective July 1, 2014. However, because the amendments made by New Section 5 relate to tax year 2013 an amended return can be filed to claim the credit and, if appropriate, a refund. Amended returns will be accepted immediately.

Section 6 of the Bill amends K.S.A. 79-32,177 to extend the disabled accessibility credit for facilities or equipment that is used in a trade of business to additional taxpayers. During the 2012 Legislative Session, K.S.A. 79-32,177 was amended to allow only corporate income tax payers to claim the credit for tax year 2013 and all tax years thereafter. Section 6 has now repealed this limitation and extends the ability to claim the credit to all income tax payers who qualify. The provisions of Section 6 are effective for tax year 2014 and later years.

Taxpayer Assistance

Additional copies of this notice, forms or publications are available from our web site, **www.ksrevenue.org**. If you have questions about this Notice, please contact:

Taxpayer Assistance Center
Kansas Department of Revenue
915 SW Harrison St., 1st Floor
Topeka, KS 66612-1588
Phone: 785-368-8222
Fax: 785-291-3614