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Legislative Budget
Office

H.B. 405
135th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Dell'Aquila

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SUMMARY

- Authorizes a one-time refundable income tax credit of up to \$5,000 for the costs of disability-related home modifications and care services.
- Requires a taxpayer to obtain the approval of the Department of Aging before claiming the credit.
- Limits the total amount of credits that may be claimed in a year to \$15 million.

DETAILED ANALYSIS

Disability modifications and service credit

The bill authorizes a one-time personal income tax credit for certain taxpayers who either make modifications to their homes to improve accessibility or pay for certain in-home care services for the taxpayer or their spouse or dependent. Specifically, the credit is available to any of the following taxpayers:

- A taxpayer who is at least 60 years old.
- A taxpayer who (1) is permanently and totally disabled, i.e., a person who has been certified as such by a state or federal agency or who has an impairment that makes the person unable to work for at least 12 months, and (2) has been documented by an Ohio-licensed physician, nurse, or physician assistant as requiring assistance for at least one activity of daily living, such as eating, toileting, bathing, or dressing.
- A taxpayer with a spouse or dependent who meets either of those qualifications.

The credit equals the expenses incurred by the taxpayer during the year, up to \$5,000, for the following:

- Modifying the taxpayer's residence to improve its accessibility and visitability, in accordance with guidelines established by the Department of Aging. Qualifying

modifications may include the installation of wheelchair ramps, bathtub bars, and zero-step entrances, but do not include general household maintenance expenses such as painting, plumbing, or electric repairs.

- Respite care, adult day care, home aide, or personal care attendant services or assistive technology for the care of the taxpayer or the taxpayer's spouse or dependent.

The credit is refundable, so any amount of the credit in excess of the taxpayer's tax liability is refunded to the taxpayer.¹ The credit is available for expenses incurred in the taxable year that includes the bill's 90-day effective date.²

Credit application and cap

Before claiming the credit, a taxpayer must apply to obtain the approval of the Department of Aging. The Department must deny an application if the applicant had previously been approved for the credit or if approval of the credit would cause the total amount of credits that could be claimed for the year to exceed \$15 million. In addition, the Department may not approve an application if the qualifying expenses arise from a transaction between the taxpayer and a member of the taxpayer's family or a pass-through entity owned entirely or partly by the taxpayer. The taxpayer is notified of the Department's approval or rejection by mail.³

HISTORY

Action	Date
Introduced	02-12-24

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¹ R.C. 5747.86(A) and (B), 5747.08, and 5747.98.

² Section 3.

³ R.C. 5747.86(C).