

HB 2131 STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

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Sub-Referral To: House Committee On Revenue

Meeting Dates: 2/27

WHAT THE MEASURE DOES:

Modifies income limits for joint tax filers for the Working Family Household and Dependent Care Credit (WFHDC) and prescribes the amount of expenses for which the credit may be claimed. Applies to tax years beginning on or after January 1, 2018. Aligns sunset for additional personal exemption tax credit allowed for spouse of person with severe disability with sunset for additional credit for person with severe disability. Effective 91st day following adjournment *sine die*.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The purpose of the Working Family Household and Dependent Care Credit (WFHDC) is to help low- to moderate-income families pay for dependent care while they are working or looking for work. Currently to qualify, the taxpayer's adjusted gross income must be less than the limit set for the household size, and the taxpayer must have qualifying household or dependent care expenses. A qualifying dependent may include a child under the age of 13, a disabled spouse in certain circumstances, or another disabled person in certain circumstances.

House Bill 2131 modifies income limits and the amount of expenses for joint filers claiming the Working Family Household and Dependent Care Credit and aligns sunset review dates.