

## **SB 144 STAFF MEASURE SUMMARY**

### **Senate Committee On Human Services, Mental Health and Recovery**

---

**Prepared By:** C. Ross, Counsel

**Sub-Referral To:** Joint Committee On Tax Expenditures

**Meeting Dates:** 3/25, 4/1

---

#### **WHAT THE MEASURE DOES:**

Continues tax credit for Severe Disability from January 1, 2022 to January 1, 2026.

#### **ISSUES DISCUSSED:**

- Tax credit review process; overview of this credit; Legislative Revenue Office's Research Report No. 2-21
- Longstanding tax credits that are not about incenting behavior, that meet their purpose continuously (this credit enacted in 1985)
- Importance of credit to target population; making value statement that recognizes and respects circumstances of target population

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

Most taxpayers can claim a personal exemption credit for themselves, and may claim a spouse, and dependents, as applicable. Taxpayers may not claim a personal exemption credit if they are claimed as a dependent on someone else's tax return, or if they are a single filer with an adjusted gross income (AGI) exceeding \$100,000, or a joint filer with AGI exceeding \$200,000. Individuals with certain defined severe disabilities are allowed an additional personal exemption credit against personal income taxes; up to two for qualifying joint filers. The purpose of the Severe Disability credit is to provide financial assistance or some offset against costs associated with the disability. (Research Report No. 2-21, *Tax Credit Review: 2021 Session*, Legislative Revenue Office, January 28, 2021, pp. 49 - 51.)

The tax credit for Severe Disability is currently scheduled to expire January 1, 2022. Senate Bill 144 extends the tax credit for Severe Disability until January 1, 2026.