MaineHousing
Maine State Housing Authority

ACCESSABLE HOME
TAX CREDIT

FREQUENTLY ASKED QUESTIONS

What is the AccessAble Home Tax Credit?

The AccessAble Home Tax Credit is a Maine income tax credit available to individuals who earn $55,000 or less annually for expenses paid for modifications to their residence to make the residence accessible for a person with a physical disability or a physical hardship who lives or will live at the residence. Tax credits are available for amounts paid on or after January 1, 2017.

What if the amount of credit I am eligible for exceeds the taxes I owe?

Unused credits may be carried forward for up to four tax years from the identified Credit Tax Year.

How much tax credit do I qualify for?

You are eligible for the lesser of $9,000 or the "applicable percentage" of your qualified expenditures to make the residence accessible. The applicable percentage is based on your income as follows:

A. For taxpayers with a federal adjusted gross income $0 to $25,000, 100%;

B. For taxpayers with a federal adjusted gross income over $25,000 but not over $30,000, 90%;

C. For taxpayers with a federal adjusted gross income over $30,000 but not over $35,000, 80%;

D. For taxpayers with a federal adjusted gross income over $35,000 but not over $40,000, 70%;

E. For taxpayers with a federal adjusted gross income over $40,000 but not over $45,000, 60%; and

F. For taxpayers with a federal adjusted gross income over $45,000 but not over $55,000, 50%.

What types of modifications qualify?

Modifications must make the home more *accessible* for a person with a physical disability or a physical hardship who lives or will live at the residence to qualify. Some examples are changes to flooring to mitigate tripping hazards, installation of grab bars, installation of access ramps, and widening of doorways. A therapeutic swimming pool, for example, would not qualify. A contractor, homeowner or resident may perform work in addition to the work that makes the home more accessible, but that additional work will not qualify for the credit.

How do I apply for the credit?

After modifications have been made and paid for, there are two steps in applying for the tax credit.

1. Obtain a Certification for AccessAble Home Tax Credit. Submit a Request for Certification for AccessAble Home Tax Credit form to MaineHousing. MaineHousing will review your request, which may include an inspection of your residence; determine the total qualified expenditures; and issue a certification for the total qualified expenditures.
2. File the certification with your tax return.

Information about the AccessAble Home Tax Credit, including a Request for Certification for AccessAble Home Tax Credit form, is available at www.mainehousing.org.

What is needed to file a Request for Certification for AccessAble Home Tax Credit?

The Request for Certification for AccessAble Home Tax Credit includes your representation that the work is generally consistent with American National Standards Institute ICC A117.1-2009 standards (ANSI) and your contractor's certification that the work meets local codes. Take a "before" picture prior to the start of the work, if possible. Obtain any required local approvals to do the work. When the work is complete, submit the following to MaineHousing:

- Request for Certification for AccessAble Home Tax Credit;
- detailed description of the modifications made;
- copy of an itemized invoice from the contractor who completed the work or copy of itemized invoice of materials used to complete the job;
- copy of a home construction contract, if used;
- photograph of work completed; and
- a before photograph, if available

If MaineHousing determines that the work meets statutory requirements, MaineHousing will issue a Certification for Accessible Home Tax Credit to you to submit to Maine Revenue Services with your tax return for the year in which you paid for the modifications.

What if work on and payment for modifications span more than one tax year?
Tax credits are allowed for the year in which qualified expenditures are paid. If payment for work is made in two or more tax years, the taxpayer must file a Request for Certification for AccessAble Home Tax Credit for each year. The date of payment determines the applicable tax year rather than when the work is done.

Taxpayers must submit the Request for Certification of AccessAble Home Tax Credits no less than 45 days prior to the date their tax filing is due. This will allow time for MaineHousing to review the request and issue a certification prior to the taxpayer's filing.

May I receive a tax credit for work I perform myself?
Yes. You may complete the work yourself or hire a contractor. If you perform the work yourself, you may receive a tax credit for out of pocket expenditures for materials required to make the modification. However, you are not allowed a tax credit for your labor.

If I hire a contractor to do the work, what should I do?
If you are hiring a contractor to do the work, check several references before hiring the contractor. If you are paying in excess of $3,000, the contractor should enter into a Home Construction Contract with you.

What happens if my contractor does not use a Home Construction Contract?
To protect homeowners, Maine law requires contractors to use a Home Construction Contract for work costing more than $3,000. The Request for Certification for AccessAble Home Tax Credit will not be denied because your contractor fails to use a Home Construction Contract. However, MaineHousing recommends that you enter into a Home Construction Contract with your contractor. For more information and a sample of a contract, go to: http://www.maine.gov/ag/consumer/housing/home_construction.shtml

What are the American National Standards Institute ICC A117.1-2009 standards ("ANSI Standards")?
The ANSI Standards are a set of voluntary building standards for achieving accessibility. They are located at: https://law.resource.org/pub/us/code/ibr/ansi.a117.1.2009.pdf. MaineHousing has adopted the ANSI Standards as a guide for purposes of the AccessAble Home Tax Credit. A taxpayer should make sure any modifications made pursuant to the AccessAble Home Tax Credit are generally consistent with the ANSI Standards and suitable for the person requiring the modifications.

Will the work be inspected by MaineHousing?
MaineHousing may inspect the work upon reasonable notice to confirm that the work complies with statutory requirements.