**Key Provisions for People with Disabilities in Tax Bills**

**As of 11/20/17**

|  | [In CCD Tax](https://c-c-d.org/fichiers/CCD-Principles-and-Recommendations-for-Tax-Reform.pdf)[Principles?](https://c-c-d.org/fichiers/CCD-Principles-and-Recommendations-for-Tax-Reform.pdf) | House Bill | Senate Bill |
| --- | --- | --- | --- |
| Individual Mandate for health insurance | Y (Implied) | -- | **Repeals**. CBO estimated savings of $318 billion over the next 10 years and resulting in 13 million fewer people with health insurance and premium hikes of 10% in the insurance marketplace. (The individual mandate and its associated penalties increase federal spending by encouraging people to obtain subsidized coverage—through Medicaid, the health insurance marketplaces established under the ACA, or employment-based plans). See [CBO report](https://www.cbo.gov/budget-options/2016/52232). |
| The standard deduction for people who are blind | Y | -- | -- |
| The Architectural and Transportation Barrier Removal Deduction | Y | -- | -- |
| The Disabled Access Credit (DATC) | Y | **Repeals**. DATC was created in 1990 to assist small businesses in meeting obligations created by the ADA. It allows small businesses (<31 employees and gross receipts < $1 million a year) to claim a nonrefundable tax credit. Credit provides 50% of eligible expenditures between $250 and $10,000 for a maximum of $5,000. | -- |
| Work Opportunity Tax Credit (WOTC) | Y | **Repeals**. WOTC was created in 1996 to replace the Targeted Jobs Tax Credit. It available to employers for hiring individuals from certain target groups -. people who receive SSI or who are referred by a VR agency but is not open to SSDI beneficiaries. Business who hire disabled veterans and people receiving SNAP or TANF, for example, are also eligible to receive this credit. The amount of the credit an employer can claim is dependent on which targeted group an individual belongs. The WOTC for people with disabilities provides a credit for up to 40% of the first $6,000 in wages, for a maximum of $2,400 for SSI beneficiaries but up to $9,600 for certain disabled veterans. It is underutilized because it has been reauthorized year to year retroactively, meaning businesses cannot count on being able to claim the credit. It is also difficult to claim because it requires certification before work begins and paperwork within 28 days of work beginning, even when it hasn’t been reauthorized. | --- |
| Achieving a Better Life (ABLE) | Y | **Expands**. Improves the ABLE program by allowing rollovers from 529 education savings accounts. CCD does not support passage of any ABLE Act changes unless the age of disability onset is substantially increased. See [CCD letter.](http://c-c-d.org/fichiers/ABLE-tax-reform-co-chairs-letter-11-15-17.pdf)  | **Expands.** Two Burr amendments (82 & 83) to improve the ABLE program by allowing increased contributions to ABLE accounts and rollovers from 529 education savings accounts were passed in Committee. CCD does not not support passage of any ABLE Act changes unless the age of disability onset is substantially increased. See [CCD letter.](http://c-c-d.org/fichiers/ABLE-tax-reform-co-chairs-letter-11-15-17.pdf) |
| Low income housing tax credit | Y | **Partially repeals**. Eliminates the credits for private activity bonds. Tax-exempt private activity bonds are issued by state or local governments and loaned to private companies to finance qualified projects. The bonds are most commonly used for the construction of affordable multifamily housing, but also for hospitals and infrastructure projects, like roads and bridges. This will result in an estimated 950,000 fewer tax credit units being developed over the next decade. Learn more from the [National Low Income Housing Coalition.](http://nlihc.org/article/house-committee-approves-seriously-flawed-tax-reform-bill) |  Summary in process |
| Charitable deduction  | Y | Reduces incentives. Summary in process. | Reduces incentives. Summary in process. |
| Medical Expense Deduction | -- | **Repeals**. Nearly 9 million filers claim this deduction for medical care expenses exceed 10% of an individual or family’s adjusted gross income, and is intended to offset some of the high “out of pocket” medical expenses e.g. high cost prescription drugs, long term physical and occupational therapies, durable medical equipment, and long term care services and supports. | --- |
| State & Local Tax Deduction (SALT) | -- | **Partially repeals**. Taxpayers would lose the ability to deduct their state and local incomes and sales tax. The deductions for property taxes would be limited to $10,000. Limiting SALT would disproportionately affect people living in high-tax states such CT, NJ, NY, & CA. There are two main problems with limiting the SALT deduction -1- People in higher tax states will end up with large tax increases; 2) states may lose public support for investing in quality public services (such as education, housing, & transportation) and these services end up getting cut. | **Fully repeals**. Taxpayers would lose the ability to deduct their state and local property and other taxes from their federal taxes, a break used by about 44 million people (or 30% of tax filers.) Eliminating SALT would disproportionately affect people living in high-tax states such CT, NJ, NY, & CA. There are two main problems with limiting or eliminating the SALT deduction -1- People in higher tax states will end up with large tax increases; 2) states may lose public support for investing in quality public services (such as education, housing, & transportation) and these services end up getting cut. |
| Child Tax Credit (CTC) | -- | **Modifies.** Increased to $1,600/child – phased out at higher income than current law. But many low- and moderate-income children would see only a token benefit. That’s because the proposal does not expand the credit meaningfully for families that receive the refundable portion of the CTC because their earnings are too low to owe federal income taxes. Learn more from [CBPP](https://www.cbpp.org/research/federal-tax/house-tax-bills-child-tax-credit-increase-excludes-thousands-of-children-in-low). | **Modifies**. Raises the maximum credit from $1,000 to $2,000 per child (versus $1,600 in the House plan) and extend the credit to 17-year-olds, who are now ineligible. But many low- and moderate-income children would see only a token benefit. That’s because the proposal does not expand the credit meaningfully for families that receive the refundable portion of the CTC because their earnings are too low to owe federal income taxes. Learn more from [CBPP](https://www.cbpp.org/research/federal-tax/senate-tax-bills-child-tax-credit-increase-provides-only-token-help-to-millions). |
| Earned Income Tax Credit (EITC) | -- | **Modifies**. Adds integrity measures (places onerous burdens on small business). Learn more from [CBPP](https://www.cbpp.org/research/federal-tax/house-budget-committee-proposal-to-verify-incomes-of-all-eitc-filers-would). | Summary in process |
| Orphan drugs credit -  | -- | **Repeals**. Businesses can receive this credit for clinical testing expenses for certain drugs for rare diseases or conditions An independent study conducted in 2015 estimated that if the orphan drug credit were repealed one-third fewer drugs addressing rare diseases would be developed in the future. | **Limits**. Limited to 50 percent of expenses in excess of 50 percent of average testing expenses in the prior three years; the credit is limited to 25 percent if there were no qualified expenses in at least one of those years. Under the manager's amendment, the 25 percent limit is INCREASED to 27.5 percent, and the qualified expense limitation would not apply to drugs ultimately approved by the Food and Drug Administration.  |
| Educations Saving Account | -- | **Repeals** Coverdell Education Savings Accounts — income restricted tax-free accounts that allow families to set aside up to $2,000 to cover K-12 costs. At the same time, the bill would expand 529 college savings accounts (which are open to everyone) to cover K-12 expenses of up to $10,000 per year at public, private and religious schools. This would effectively incentivize wealthy Americans to put away money for private schools, which are not subject to the Individuals with Disabilities Education Act (IDEA) and further limit the general revenue funds that support public school programs. | -- |
| Education Voucher Amendment | -- |  | **Failed in committee**. ~~Hatch (Amendment #4) allows parents who already send their child to private religious schools to deduct 25% of the cost of their tuition~~ |
| Education Voucher Amendment | -- |  | **Failed in committee.** ~~Scott (Amendment #3) creates a K12 tuition tax credit. applies to both individuals and corporations, limited to middle and low-income families.~~ |
| Paid leave tax credit | -- |  | **Passed in Committee**. Chairman's modifications add a two-year employer tax credit for paid family and medical leave expenses, equal to 12.5 percent of wages if rate of payment is at least 50 percent of regular wages; credit increases by 0.25 percentage points for each 1 percentage point increase in wages. Based on Fischer Paid Leave Tax credit bill (S. 1716) on p. 42. Tax credits are likely to only subsidize companies that already offer paid leave or that would have chosen to offer new or expanded paid leave benefits without a tax credit. This means that the current inequalities between higher- and lower-wage workers would not close as a result of this proposal. See [fact sheet](http://t.congressweb.com/l/?HMZODRTNHNGZEMX#_blank)  and [*Tax Reform is No Place for Paid Leave,*](http://t.congressweb.com/l/?HMZODRTNHNMAXBD#_blank) for more information.  |
| Johnson Amendment | --- | **Repealed**. The Johnson Amendment forbids non-profit charities, including churches, from endorsing political candidates. The Joint Committee on Taxation estimates repeal could cost 2.1 billion over 10 years because some political donors would shift their money to tax-exempt charities. Learn more from the [Washington Post](https://www.washingtonpost.com/opinions/the-house-tax-bill-unleashes-a-dangerous-avalanche-of-campaign-cash/2017/11/18/203707fc-c8b6-11e7-8321-481fd63f174d_story.html?utm_term=.3a18615cc714). |  |