

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2026 REGULAR SESSION**

MEASURE

2026 BR NUMBER 227

HOUSE BILL NUMBER 158

TITLE AN ACT relating to a tax credit for qualified home modifications.

SPONSOR Representative Adrielle Camuel

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE STATE
EMPLOYEE HEALTH PLAN IMPACT

APPROPRIATION UNIT(S) IMPACTED: _____

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2025-2026	2026-2027	2027-2028	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		(Indeterminable)	(Indeterminable)	(Indeterminable)
EXPENDITURES				
NET EFFECT		(Indeterminable)	(Indeterminable)	(Indeterminable)

() indicates a decrease/negative

PURPOSE OF MEASURE: This bill would allow a tax credit of up to \$7,500 in each taxable year for households that complete qualified home modifications for a qualified residence when the household includes a member aged 65 or older or a person with a physical or mental impairment that substantially limits one (1) or more of that individual’s major life activities.

FISCAL EXPLANATION: Based on data from the 2019–2023 American Community Survey 5-Year PUMS (ACS), as well as data from the American Housing Survey (AHS), it is estimated that there are approximately 29,989 eligible households who would undertake a home modification where a member of that household is either 65 or has a physical or mental impairment that substantially limits one or more of that individual’s life activities.

Using data from the 2023 AHS, it is estimated that approximately 3.67% of eligible households are expected to complete a home modification. Of all of the households in the AHS sample (86,853,000), 3,187,000 undertook a home modification or improvement that was directly related to accessibility for the elderly or disabled. Further, according to the AHS, the average dollar value of home modifications where a disabled person is present was approximately \$5,241 in the survey year. The AHS asks about projects over a two-year time window. Because of this, it is

assumed that the average modification expenditure (\$5,241) is evenly distributed across those two years. So, in a given year, based on the AHS data, and the ACS estimate of eligible households, approximately 29,989 households are expected to complete a home modification with an annual average expenditure on that modification of approximately \$2,621.

Assuming that each household has sufficient tax liability, General Fund revenue would decrease by approximately \$39,300,000 in FY 2027, as the credit cannot be claimed until January 1, 2027. In FY 2028, General Fund revenue would decrease by \$78,600,000, representing the full amount of the credit. To the extent that claimants have income not subject to individual income tax, such as Social Security benefits, their potential tax liability may be lower. However, because the actual tax liability of those undertaking home modifications is unknown, these estimates represent the maximum potential reduction in General Fund revenue, assuming all claimants have sufficient tax liability.

Since actual tax liability is not known, the effect on General Fund Revenues is indeterminable.

DATA SOURCE(S): 2019-2023 American Community Survey 5-Year Public Use Microdata Sample; 2023 American Housing Survey
PREPARER: Jonathan Roenker NOTE NUMBER: 32 REVIEW: JMR DATE: 1/14/2026