

SS#2 HCS HB 1796 -- FIRST-TIME HOME BUYER SAVINGS ACT

Beginning January 1, 2019, this bill establishes the "First-Time Home Buyer Savings Account Act" and authorizes an individual income tax deduction for 50% of the contributions to such a savings account dedicated to buying a first home. The bill specifies that the annual contribution deduction limit is \$1,600 for an individual or \$3,200 for a couple filing a joint tax return. A first-time home buyer is an individual who has never owned a single-family, owner-occupied primary residence including a condominium or manufactured home or a divorced individual who has not been listed on a property title for at least three years. The maximum contribution limit for all tax years is \$20,000 and the maximum total amount in the savings account is \$30,000. The bill requires any home purchase with money from an account may not transfer for at least two years, except as specified in the bill.

Funds in the savings account can be used only for eligible expenses of purchasing a primary residence in this state, transferred to another first-time home buyer savings account or used to pay service fees. Any withdrawal of funds for other purposes will be subject to recapture and penalties.

The bill also specifies that any person who has knowledge of radioactive or hazardous contamination and fails to disclose such information in writing to the prospective lessee, purchaser, or transferee is guilty of a class A misdemeanor.

The provisions regarding the income tax deduction expire December 31, six years from the effective date.