

\* \* \* Personal Income Tax Rates \* \* \*

Sec. 24. PERSONAL INCOME TAX RATES; TAXABLE YEAR 2024

(a) For taxable years beginning on and after January 1, 2024, after taking into consideration any inflation adjustments to taxable income as required by 32 V.S.A. § 5822(b)(2), all personal income tax rates under 32 V.S.A. § 5822(a)(1)–(5) shall be increased as follows:

(1) taxable income that without the passage of this act would have been subject to a rate of 3.35 percent shall be taxed at the rate of 3.65 percent instead;

(2) taxable income that without the passage of this act would have been subject to a rate of 6.60 percent shall be taxed at the rate of 7.30 percent instead;

(3) taxable income that without the passage of this act would have been subject to a rate of 7.60 percent shall be taxed at the rate of 8.30 percent instead; and

(4) taxable income that without the passage of this act would have been subject to a rate of 8.75 percent shall be taxed at the rate of 9.60 percent instead.

(b) When preparing the Vermont Statutes Annotated for publication, the Office of Legislative Counsel shall revise the tables in 32 V.S.A. § 5822(a)(1)–(5) as follows:

(1) to reflect the changes to the income tax rates made under subsection (a) of this section; and

1           (2) to update the taxable income brackets to the most recent taxable year  
2           amounts available that have been adjusted for inflation as required by 32  
3           V.S.A. § 5822(b)(2).

4           Sec. 25. PERSONAL INCOME TAX RATES; TAXABLE YEAR 2028

5           (a) For taxable years beginning on and after January 1, 2028, after taking  
6           into consideration any inflation adjustments to taxable income as required by  
7           32 V.S.A. § 5822(b)(2), all personal income tax rates under 32 V.S.A.  
8           § 5822(a)(1)–(5) shall be increased as follows:

9           (1) taxable income that without the passage of this act would have been  
10          subject to a rate of 3.65 percent shall be taxed at the rate of 3.80 percent  
11          instead;

12          (2) taxable income that without the passage of this act would have been  
13          subject to a rate of 7.30 percent shall be taxed at the rate of 7.50 percent  
14          instead;

15          (3) taxable income that without the passage of this act would have been  
16          subject to a rate of 8.30 percent shall be taxed at the rate of 8.55 percent  
17          instead; and

18          (4) taxable income that without the passage of this act would have been  
19          subject to a rate of 9.60 percent shall be taxed at the rate of 10.05 percent  
20          instead.

21          (b) When preparing the Vermont Statutes Annotated for publication, the  
22          Office of Legislative Counsel shall revise the tables in 32 V.S.A. § 5822(a)(1)–  
23          (5) as follows:

1           (1) to reflect the changes to the income tax rates made under subsection

2           (a) of this section; and

3           (2) to update the taxable income brackets to the most recent taxable year

4           amounts available that have been adjusted for inflation as required by 32

5           V.S.A. § 5822(b)(2).

6                                 \* \* \* Corporate Income Tax Rates \* \* \*

7           Sec. 26. 32 V.S.A. § 5832 is amended to read:

8           § 5832. TAX ON INCOME OF CORPORATIONS

9           A tax is imposed for each calendar year, or fiscal year ending during that  
10           calendar year, upon the income earned or received in that taxable year by every  
11           taxable corporation, reduced by any Vermont net operating loss allowed under  
12           section 5888 of this title, such tax being the greater of:

13                 (1) an amount determined in accordance with the following schedule:

14           Vermont net income of the corporation  
15           for the taxable year allocated or  
16           apportioned to Vermont  
17           under section 5833 of this title

	Tax
19           \$     0–10,000.00	<del>6.00%</del> <u>6.5%</u>
20           10,001.00–25,000.00	\$600.00 plus <del>7.0%</del> <u>8.0%</u> of the 21           excess over \$10,000.00
22           25,001.00 and over	\$1,650.00 plus <del>8.5%</del> <u>10.0%</u> of the 23           excess over \$25,000.00

1 or

2 \* \* \*

3 \* \* \* Earned Income Tax Credit; Child Tax Credit \* \* \*

4 Sec. 27. 32 V.S.A. § 5828b(a) is amended to read:

5 (a) A resident individual or part-year resident individual who is entitled to  
6 an earned income tax credit granted under the laws of the United States or who  
7 would have been entitled to an earned income tax credit under the laws of the  
8 United States but for the fact that the individual, the individual's spouse, or one  
9 or more of the individual's children does not have a qualifying taxpayer  
10 identification number shall be entitled to a credit against the tax imposed for  
11 each year by section 5822 of this title. The credit shall be 38 percent of the  
12 earned income tax credit granted to the individual under the laws of the United  
13 States or that would have been granted to the individual under the laws of the  
14 United States but for the fact that the individual, the individual's spouse, or one  
15 or more of the individual's children does not have a qualifying taxpayer  
16 identification number, multiplied by the percentage that the individual's ~~earned~~  
17 income that is earned or received during the period of the individual's  
18 residency in this State bears to the individual's total ~~earned~~ income.

19 Sec. 28. 32 V.S.A. § 5828b is amended to read:

20 § 5828b. EARNED INCOME TAX CREDIT

21 (a)(1) A resident individual or part-year resident individual who is entitled  
22 to an earned income tax credit granted under the laws of the United States or  
23 who would have been entitled to an earned income tax credit under the laws of

1 the United States but for the fact that the individual, the individual's spouse, or  
2 one or more of the individual's children does not have a taxpayer identification  
3 number shall be entitled to a credit against the tax imposed for each year by  
4 section 5822 of this title. The credit shall be ~~38 percent~~ a percentage, as  
5 determined under subdivision (2) of this subsection, of the earned income tax  
6 credit granted to the individual under the laws of the United States or that  
7 would have been granted to the individual under the laws of the United States  
8 but for the fact that the individual, the individual's spouse, or one or more of  
9 the individual's children does not have a qualifying taxpayer identification  
10 number, multiplied by the percentage that the individual's income that is  
11 earned or received during the period of the individual's residency in this State  
12 bears to the individual's total income.

13 (2) The credit under this section shall be a percentage of the earned  
14 income tax credit granted to the individual under the laws of the United States,  
15 which shall be determined as follows:

16 (A) for an individual who claims one qualifying child or more than  
17 one qualifying children for purposes of the earned income tax credit under this  
18 section during the taxable year, 100 percent; and

19 (B) for an individual who does not claim any qualifying children for  
20 purposes of the earned income tax credit under this section during the taxable  
21 year, 55 percent.

22 \* \* \*

1 Sec. 29. 32 V.S.A. § 5830f(a) is amended to read:

2 (a) A resident individual or part-year resident individual who is entitled to a  
3 child tax credit under the laws of the United States or who would have been  
4 entitled to a child tax credit under the laws of the United States but for the fact  
5 that the individual or the individual’s spouse does not have a taxpayer  
6 identification number shall be entitled to a refundable credit against the tax  
7 imposed by section 5822 of this title for the taxable year. The total credit per  
8 taxable year shall be in the amount of \$1,000.00 per qualifying child, as  
9 defined under 26 U.S.C. § 152(c) but notwithstanding the taxpayer  
10 identification number requirements under 26 U.S.C. § 24(e) and (h)(7), who is  
11 five years of age or younger as of the close of the calendar year in which the  
12 taxable year of the taxpayer begins. For a part-year resident individual, the  
13 amount of the credit shall be multiplied by the percentage that the individual’s  
14 income that is earned or received during the period of the individual’s  
15 residency in this State bears to the individual’s total income.

16 Sec. 30. 32 V.S.A. § 5830 is added to read:

17 § 5830. TAXPAYER IDENTIFICATION NUMBERS; CREDITS

18 The Commissioner shall provide a process for an individual to claim the  
19 child tax credit and the earned income tax credit pursuant to subsections  
20 5828b(a) and 5830f(a) of this title when the individual, the individual’s spouse,  
21 or one or more of the individual’s qualifying children does not have a taxpayer  
22 identification number. Upon the Commissioner’s request, an individual  
23 claiming a credit pursuant to this section and subsections 5828b(a) and

1 5830f(a) of this title shall provide valid documents establishing the  
2 individual’s identity and income for the taxable year. Upon receiving a valid  
3 Social Security number issued by the Social Security Administration, the  
4 individual shall notify the Commissioner in the time and manner prescribed by  
5 the Commissioner.

6 Sec. 31. 32 V.S.A. § 5830f(d) is added to read:

7 (d)(1) The Commissioner shall establish a program to make advance  
8 quarterly payments of the credit under this section during the calendar year  
9 that, in the aggregate, equal 50 percent of the annual amount of the credit  
10 allowed to each individual for the taxable year. The quarterly payments made  
11 to an individual during the calendar year shall be in equal amounts, except that  
12 the Commissioner may modify the quarterly amount upon receipt of any  
13 information furnished by the individual that allows the Commissioner to  
14 determine the annual amount. The remaining 50 percent of the annual amount  
15 of the credit allowed to each individual shall be determined at the time of filing  
16 a Vermont personal income tax return for the taxable year pursuant to section  
17 5861 of this title.

18 (2) The Commissioner shall provide a process by which individuals may  
19 elect not to receive advance payments under this subsection.

\* \* \* Effective Dates \* \* \*

Sec. 32. EFFECTIVE DATES

\* \* \*

(4) Secs. 24 (personal income tax rates; taxable year 2024), 26 (32 V.S.A. § 5832; corporate income tax rates), and 28 (32 V.S.A. § 5828b; earned income tax credit) shall take effect on January 1, 2024 and shall apply to taxable years beginning on and after January 1, 2024.

(5) Sec. 25 (personal income tax rates; taxable year 2028) shall take effect on January 1, 2028 and shall apply to taxable years beginning on and after January 1, 2028.

(6) Notwithstanding 1 V.S.A. § 214, Secs. 27 (earned income tax credit; taxpayer identification numbers), 29 (child tax credit; taxpayer identification numbers), and 30 (taxpayer identification numbers; credits) shall take effect retroactively on January 1, 2023 and shall apply to taxable years beginning on and after January 1, 2023.

(7) Sec. 31 (child tax credit; advance payments) shall take effect on the later of July 1, 2023 or the first day of the second quarter of the State fiscal year after the requirement to include recurring or nonrecurring State payments of income tax refunds, rebates, or credits in income-based eligibility determinations for any federal public assistance program, including the Supplemental Nutrition Assistance Program; the Special Supplemental Nutrition Program for Women, Infants, and Children; federal child care



1 assistance; and Supplemental Security Income, is abrogated by one or more of  
2 the following federal actions:

3 (A) enactment of federal legislation;

4 (B) a decision by a controlling court from which there is no further  
5 right of appeal; or

6 (C) publication of federal regulations, guidelines, memorandum, or  
7 any other official action taken by the relevant federal agency with the authority  
8 to alter income-based eligibility determinations for federal public assistance  
9 programs.

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