

1 H.264

2 Introduced by Representatives Hango of Berkshire, Birong of Vergennes, and

3 Sibilia of Dover

4 Referred to Committee on

5 Date:

6 Subject: Taxation; property tax credit; veterans' disability payments

7 Statement of purpose of bill as introduced: This bill proposes to exempt
8 disability and pension income for veterans who are permanently and totally
9 disabled from the calculation of household income for purposes of determining
10 the homestead property tax credit.

11 An act relating to excluding disabled veterans' disability and pension
12 income from household income

13 It is hereby enacted by the General Assembly of the State of Vermont:

14 Sec. 1. 32 V.S.A. § 6061(5) is amended to read:

15 (5) "Modified adjusted gross income" means "federal adjusted gross
16 income":

17 * * *

18 (B) With the addition of the following, to the extent not included in
19 adjusted gross income: alimony, support money other than gifts, gifts received
20 by the household in excess of a total of \$6,500.00 in cash or ~~cash equivalents~~

1 cash equivalents, cash public assistance and relief (not including relief granted
2 under this subchapter), cost of living allowances paid to federal employees,
3 allowances received by dependents of ~~servicemen and women~~ members of the
4 U.S. Armed Forces, the portion of Roth IRA distributions representing
5 investment earnings and not included in adjusted gross income, railroad
6 retirement benefits, payments received under the federal Social Security Act,
7 all benefits under Veterans' Acts, except for disability and pension income
8 paid by the U.S. Department of Veterans Affairs to veterans who are
9 permanently and totally disabled, federal pension, and annuity benefits not
10 included in adjusted gross income, nontaxable interest received from the state
11 or federal government or any of its instrumentalities, workers' compensation,
12 the gross amount of "loss of time" insurance, and the amount of capital gains
13 excluded from adjusted gross income, less the net employment and self-
14 employment taxes withheld from or paid by the individual (exclusive of any
15 amounts deducted to arrive at adjusted gross income or deducted on account of
16 excess payment of employment taxes) on account of income included under
17 this section, less any amounts paid as child support money if substantiated by
18 receipts or other evidence that the Commissioner may require.

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1 Sec. 2. EFFECTIVE DATE

2 Notwithstanding 1 V.S.A. § 214, this act shall take effect retroactively on
3 January 1, 2023 and shall apply to property tax credit claims filed on and after
4 January 1, 2024.