

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred House Bill No.
3 721 entitled “An act relating to expanding access to Medicaid and Dr.
4 Dynasaur” respectfully reports that it has considered the same and
5 recommends that the report of the Committee on Health Care be amended as
6 follows:

7 First: By striking out Sec. 13, effective dates, in its entirety and inserting in
8 lieu thereof a new Sec. 13 to read as follows:

9 Sec. 13. 32 V.S.A. § 5811(18) is amended to read:

10 (18) “Vermont net income” means, for any taxable year and for any
11 corporate taxpayer:

12 (A) the taxable income of the taxpayer for that taxable year under the
13 laws of the United States, without regard to 26 U.S.C. § 168(k), and excluding
14 income that under the laws of the United States is exempt from taxation by the
15 states:

16 (i) increased by:

17 (I) the amount of any deduction for State and local taxes on or
18 measured by income, franchise taxes measured by net income, franchise taxes
19 for the privilege of doing business and capital stock taxes; ~~and~~

20 (II) to the extent such income is exempted from taxation under
21 the laws of the United States ~~by~~ the amount received by the taxpayer on and

1 after January 1, 1986 as interest income from state and local obligations, other
2 than obligations of Vermont and its political subdivisions, and any dividends
3 or other distributions from any fund to the extent such dividend or distribution
4 is attributable to such Vermont State or local obligations;

5 (III) the amount of any deduction for a federal net operating
6 loss; and

7 (IV) the amount of any deduction allowed under 26 U.S.C.
8 § 250(a); and

9 (ii) decreased by:

10 * * *

11 Second: By adding a new section to be Sec. 14 to read as follows:

12 Sec. 14. 32 V.S.A. § 5832 is amended to read:

13 § 5832. TAX ON INCOME OF CORPORATIONS

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

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

19 Vermont net income of the corporation for	Tax
20 the taxable year allocated or apportioned to	
21 Vermont under section 5833 of this title	

1	\$0-10,000.00	6.00%
2	10,001.00-25,000.00	\$600.00 plus 7.0% of the
3		excess over \$10,000.00
4	25,001.00 and over	\$1,650.00 plus 8.5% <u>10%</u>
5		of the excess over 25,000.00
6	or	

7 (2)(A) \$75.00 for small farm corporations. “Small farm corporation”
8 means any corporation organized for the purpose of farming, which during the
9 taxable year is owned solely by active participants in that farm business and
10 receives less than \$100,000.00 Vermont gross receipts from that farm
11 operation, exclusive of any income from forest crops; or

12 (B) An amount determined in accordance with section 5832a of this
13 title for a corporation that qualifies as and has elected to be taxed as a digital
14 business entity for the taxable year; or

15 (C) For C corporations with Vermont gross receipts from \$0.00–
16 \$500,000.00, the greater of the amount determined under subdivision (1) of
17 this section or \$100.00; or

18 (D) For C corporations with Vermont gross receipts from
19 \$500,001.00–\$1,000,000.00, the greater of the amount determined under
20 subdivision (1) of this section or \$500.00; or

* * *

Fourth: By adding a new section to be Sec. 16 to read as follows:

Sec. 16. EFFECTIVE DATES

(a) This section and Secs. 1 (short title), 2 (findings), 4 (technical analysis and reports), 5 (Global Commitment investments), 6 (Medicaid covered service considerations), 8 (Medicaid state plan amendments), 9 (repeal of VPharm program), and 10 and 11 (extension of Health IT-Fund) shall take effect on passage.

(b) Sec. 3 (33 V.S.A. § 1901; Dr. Dynasaur eligibility expansion) shall take effect on January 1, 2026.

(c) Sec. 7 (Medicare Savings Programs; income eligibility) shall take effect upon the later of January 1, 2026 or approval by the Centers for Medicare and Medicaid Services of the amendment to Vermont's Medicaid state plan as directed in Sec. 8(a).

(d) Secs. 12 (appropriations) and 15 (securities registration fee) shall take effect on July 1, 2024.

(e) Secs. 13 (add-back of corporate income tax deductions) and 14 (corporate income tax brackets) shall take effect on January 1, 2025 and apply to taxable years beginning on and after January 1, 2025.

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4 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE