H.694

Introduced by Representative Spengler of Colchester

Referred to Committee on

Date:

Subject: Taxation; income tax; rates; surtax; speculation tax study

Statement of purpose: This bill proposes to return the top marginal income tax rate to 9.5 percent; impose a surtax on taxable income over $500,000.00; and direct the blue ribbon tax structure committee to study the feasibility of imposing a speculation tax.

An act relating to income tax rates

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

Sec. 1. INCOME TAX RATES

For taxable year 2011 and subsequent taxable years, income tax rates under 32 V.S.A. § 5822, after taking into account any inflation adjustments to taxable income as required under subdivision 5822(b)(2), shall be as follows:

For taxable income which, without the passage of this act, would be subject to tax at the following rate (%):	That taxable income shall instead be taxed at the following rate (%):
3.55	3.55
7.00	7.00

8.25	8.25
8.90	8.90
9.40	9.50

Sec. 2. 32 V.S.A. § 5822(a)(6) is added to read:

(6) All returns: In addition to the tax imposed under subdivisions (1) through (5) of this subsection, there is imposed an additional 0.5 percent surtax on taxable income over $500,000.00 for each taxpayer.

Sec. 3. SPECULATION TAX FEASIBILITY STUDY

The blue ribbon tax structure committee created pursuant to Sec. H.56 of No. 1 of the Acts of 2009 (Spec. Sess.) shall study the feasibility of imposing a speculation tax and shall report its findings to the house committee on ways and means and the senate committee on finance by January 15, 2011. Areas that the committee will investigate include short-term trading in securities, derivatives, and other financial instruments.

Sec. 4. EFFECTIVE DATE

This act shall take effect upon passage, except Secs. 1 and 2 (income tax rates) shall apply to taxable years 2011 and after.