

1 H.401

2 Introduced by Representatives Pearson of Burlington, Davis of Washington,
3 Donovan of Burlington, French of Randolph, Haas of
4 Rochester, Lorber of Burlington, McCullough of Williston,
5 Mitchell of Barnard, Mrowicki of Putney, Nuovo of
6 Middlebury, Poirier of Barre City, Ram of Burlington, Stevens
7 of Waterbury, Weston of Burlington, Wizowaty of Burlington,
8 Woodward of Johnson and Yantachka of Charlotte

9 Referred to Committee on

10 Date:

11 Subject: Taxation; income taxes; rates

12 Statement of purpose: This bill proposes to raise the personal income tax rates
13 for the highest two income brackets.

14 An act relating to raising the personal income tax rates for the highest two
15 income brackets

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

17 Sec. 1. Sec. 20 of No. 2 of the Acts of 2009 Spec. Sess. (2009) is amended to
18 read:

19 Sec. 20. PERSONAL INCOME TAX RATES

20 (a) For taxable year 2009 only, income tax rates under 32 V.S.A. § 5822,

1 after taking into account any inflation adjustments to taxable income as
2 required under subdivision 5822(b)(2), shall be as follows:

| 3 | For taxable income which, without | That taxable income |
|----|---|----------------------------|
| 4 | the passage of this act, would be | shall instead be taxed |
| 5 | subject to tax at the following rate (%): | at the following rate (%): |
| 6 | 3.60 | 3.55 |
| 7 | 7.20 | 7.00 |
| 8 | 8.50 | 8.25 |
| 9 | 9.00 | 8.90 |
| 10 | 9.50 | 9.40 |

11 (b) For taxable year 2010 ~~and after~~ only, income tax rates under 32 V.S.A.
12 § 5822, after taking into account any inflation adjustments to taxable income as
13 required under subdivision 5822(b)(2), shall be as follows:

| 14 | For taxable income which, without | That taxable income |
|----|---|----------------------------|
| 15 | the passage of this act, would be | shall instead be taxed |
| 16 | subject to tax at the following rate (%): | at the following rate (%): |
| 17 | 3.60 | 3.55 |
| 18 | 7.20 | 6.80 |
| 19 | 8.50 | 7.80 |
| 20 | 9.00 | 8.80 |
| 21 | 9.50 | 8.95 |

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

| 4 | <u>For taxable income which, without</u> | <u>That taxable income</u> |
|----|--|-----------------------------------|
| 5 | <u>the passage of this act, would be</u> | <u>shall instead be taxed</u> |
| 6 | <u>subject to tax at the following rate (%):</u> | <u>at the following rate (%):</u> |
| 7 | <u>3.60</u> | <u>3.55</u> |
| 8 | <u>7.20</u> | <u>6.80</u> |
| 9 | <u>8.50</u> | <u>7.80</u> |
| 10 | <u>9.00</u> | <u>9.80</u> |
| 11 | <u>9.50</u> | <u>10.45</u> |

12 Sec. 2. EFFECTIVE DATE

13 This act shall be effective for taxable year 2011 and after.