

1 S.12

2 Introduced by Senators Ashe and Snelling

3 Referred to Committee on

4 Date:

5 Subject: Taxation; property tax adjustment; household income; exclusions

6 Statement of purpose: This bill proposes to allow self-employed individuals to
7 exclude contributions to certain qualified retirement plans from the calculation
8 of their household income for the purpose of calculating their property tax
9 adjustment.

10 An act relating to excluding retirement contributions by self-employed
11 individuals from the definition of household income

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

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

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

16 * * *

17 (D) without the inclusion of adjustments to total income except
18 certain business expenses of reservists, one-half of self-employment tax paid,
19 alimony paid, deductions for tuition and fees, ~~and~~ health insurance costs of
20 self-employed individuals, and contributions to SEP, SIMPLE, or qualified

1 plans by a self-employed individual to the extent that such contributions do not
2 exceed the annual amount an individual employee could contribute to a defined
3 contribution plan under 26 U.S.C. § 415; and

4 * * *

5 Sec. 2. EFFECTIVE DATE

6 This act shall take effect on January 1, 2013 and apply to claim year 2013
7 and after.