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H.147

Introduced by Representative Canfield of Fair Haven

Referred to Committee on

Date:

Subject: Taxation; property tax adjustments; household income; definition

Statement of purpose of bill as introduced: This bill proposes to exempt disability and pension income for permanently and totally disabled veterans from the calculation of household income for the purpose of determining income sensitivity property tax adjustments.

An act relating to exempting certain forms of income for permanently and totally disabled veterans from the calculation of household income

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

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

(5) “Modified adjusted gross income” means “federal adjusted gross income”:

(A) before the deduction of any trade or business loss from a sole proprietorship, loss from a partnership, loss from a limited liability company or “subchapter S” corporation, loss from a rental property, or capital loss, except that in the case of a business which sells a business property with respect to which it is required, under the Internal Revenue Code, to report a capital gain,

1 a business loss incurred in the same tax year with respect to the same business
2 may be netted against such capital gain, and except that a business loss from a
3 sole proprietorship may be netted against a business gain from a sole
4 proprietorship, as long as the loss and the gain are incurred in the same tax
5 year with respect to different business;

6 (B) with the addition of the following, to the extent not included in
7 adjusted gross income: alimony, support money other than gifts, gifts received
8 by the household in excess of a total of \$6,500.00 in cash or cash-equivalents,
9 cash public assistance and relief (not including relief granted under this
10 subchapter), ~~cost-of-living~~ cost-of-living allowances paid to federal employees,
11 allowances received by dependents of servicemen and women, the portion of
12 Roth IRA distributions representing investment earnings and not included in
13 adjusted gross income, railroad retirement benefits, payments received under
14 the federal Social Security Act, all benefits under Veterans' Acts, except for
15 disability and pension income paid by the U.S. Department of Veterans Affairs
16 to veterans who are permanently and totally disabled, federal pension and
17 annuity benefits not included in adjusted gross income; nontaxable interest
18 received from the ~~state~~ State or federal government or any of its
19 instrumentalities, workers' compensation, the gross amount of "loss of time"
20 insurance, and the amount of capital gains excluded from adjusted gross
21 income, less the net employment and self-employment taxes withheld from or

