

1 H.531

2 Introduced by Representatives Pellett of Chester, Emmons of Springfield,

3 Martin of Springfield and Shand of Weathersfield

4 Referred to Committee on

5 Date:

6 Subject: General provisions; commemorative days; health careers; taxation;

7 income taxes; loan repayment fund

8 Statement of purpose: This bill proposes to designate October as health care

9 career awareness month and to amend the definition of taxable income so that

10 it does not include awards from the Vermont health care educational loan

11 repayment fund.

12 An act relating to health care career awareness and tax-free health care loan
13 repayment

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

15 Sec. 1. 1 V.S.A. § 375 is added to read:

16 § 375. HEALTH CARE CAREER AWARENESS MONTH

17 October of each year is designated as health care career awareness month.

18 Sec. 2. 32 V.S.A. § 5811(21) is amended to read:

19 (21) "Taxable income" means federal taxable income determined

20 without regard to Section 168(k) of the Internal Revenue Code and:

1 (A) Increased by the following items of income (to the extent such
2 income is excluded from federal adjusted gross income):

3 (i) interest income from non-Vermont state and local obligations;

4 (ii) dividends or other distributions from any fund to the extent
5 they are attributable to non-Vermont state or local obligations; and

6 (iii) the amount in excess of \$5,000.00 of state and local income
7 taxes deducted from federal adjusted gross income for the taxable year, but in
8 no case in an amount that will reduce total itemized deductions below the
9 standard deduction allowable to the taxpayer; and

10 (B) Decreased by the following items of income (to the extent such
11 income is included in federal adjusted gross income):

12 (i) income from United States government obligations;

13 (ii) with respect to adjusted net capital gain income as defined in
14 Section 1(h) of the Internal Revenue Code:

15 (I) if the taxpayer is aged 70 or older as of the last day of the
16 tax year, or for adjusted net capital gain income from the sale of a farm or from
17 the sale of standing timber, each as defined in subdivision (27) of this section,
18 40 percent of adjusted net capital gain income but the total amount of decrease
19 under this subdivision (ii)(I) shall not exceed 40 percent of federal taxable
20 income; provided, however, that a taxpayer aged 70 or older as of the last day
21 of the tax year may elect to subtract his or her adjusted net capital gains

1 pursuant to subdivision ~~(21)(B)(i)(II)~~ (B)(ii)(II) of this ~~section~~
2 subdivision (21).

3 (II) for taxpayers aged 70 or older as of the last day of the tax
4 year who so elect and for all other capital gain income, the first \$2,500.00 of
5 adjusted net capital gain income; ~~and~~

6 (iii) recapture of state and local income tax deductions not taken
7 against Vermont income tax; and

8 (iv) the amount of any cancellation of indebtedness income
9 attributable to a health care educational loan repayment pursuant to 18 V.S.A.
10 § 10a.

11 Sec. 3. EFFECTIVE DATE

12 This act shall take effect upon passage and shall apply to taxable years
13 beginning on and after January 1, 2010.