

1
2
3
4
5
6
7
8
9
10
11
12

13
14
15
16
17
18
19
20

H.505

Introduced by Representatives Spengler of Colchester, Burke of Brattleboro,
Cross of Winooski, French of Randolph, Haas of Rochester,
Macaig of Williston, McCullough of Williston, Mrowicki of
Putney, Pearson of Burlington, Poirier of Barre City, Townsend
of South Burlington, Weed of Enosburgh, Wizowaty of
Burlington, Woodward of Johnson, and Yantachka of Charlotte

Referred to Committee on

Date:

Subject: Taxation; personal income taxes; rates

Statement of purpose of bill as introduced: This bill proposes to create
additional brackets and rates to Vermont's personal income tax structure.

An act relating to creating additional income tax brackets and rates

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

Sec. 1. REPEAL

2009 Spec. Sess. Acts and Resolves No. 2, Sec. 20 is repealed.

Sec. 2. TAX RATES

(a) Beginning in tax year 2014, there shall be five new brackets and rates
added to the tax brackets and rates in 32 V.S.A. § 5822(a)(1)–(5) as described
in this section.

1 (b) The highest bracket in 32 V.S.A. § 5822(a)(1)–(5) before the passage of
2 this act shall be capped at not more than \$500,000.00. There shall then be
3 added brackets above that amount in the following increments:

4 (1) \$500,000.01 but not more than \$1,000,000.00;

5 (2) \$1,000,000.01 but not more than \$2,000,000.00;

6 (3) \$2,000,000.01 but not more than \$5,000,000.00;

7 (4) \$5,000,000.01 but not more than \$10,000,000.00; and

8 (5) \$10,000,000.01 and over.

9 (c) For each bracket added by subsection (b) of this section, the rate shall
10 increase by 0.6 percent over the next lower bracket, so that Vermont’s income
11 tax rates, from lowest to highest, shall be 3.55 percent, 6.80 percent,
12 7.80 percent, 8.80 percent, 8.95 percent, 9.55 percent, 10.15 percent,
13 10.75 percent, 11.35 percent, and 11.95 percent.

14 (d) The Office of Legislative Council is authorized to alter the statutory
15 chart in 32 V.S.A. § 5822(a)(1)–(5) to reflect these changes.

16 Sec. 3. EFFECTIVE DATE

17 This act shall take effect on January 1, 2014 and apply to taxable year 2014
18 and after.