

1 H.694

2 Introduced by Representatives Canfield of Fair Haven, Hebert of Vernon,
3 Helm of Fair Haven, Morrissey of Bennington, and Turner of
4 Milton

5 Referred to Committee on

6 Date:

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

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

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

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

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

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

18 (A) before the deduction of any trade or business loss from a sole
19 proprietorship, loss from a partnership, loss from a limited liability company or
20 “subchapter S” corporation, loss from a rental property, or capital loss, except

1 that in the case of a business which sells a business property with respect to
2 which it is required, under the Internal Revenue Code, to report a capital gain,
3 a business loss incurred in the same tax year with respect to the same business
4 may be netted against such capital gain, and except that a business loss from a
5 sole proprietorship may be netted against a business gain from a sole
6 proprietorship, as long as the loss and the gain are incurred in the same tax
7 year with respect to different business;

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

1 capital gains excluded from adjusted gross income, less the net employment
2 and self-employment taxes withheld from or paid by the individual (exclusive
3 of any amounts deducted to arrive at adjusted gross income or deducted on
4 account of excess payment of employment taxes) on account of income
5 included under this section, less any amounts paid as child support money if
6 substantiated by receipts or other evidence that the ~~commissioner~~
7 Commissioner may require;

8 * * *

9 Sec. 2. EFFECTIVE DATE

10 This act shall take effect on January 1, 2015, and apply to claims filed after
11 that date.