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H.716

Introduced by Representatives Michelsen of Hardwick, Toleno of Brattleboro,
Young of Glover, and Zagar of Barnard

Referred to Committee on

Date:

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

Statement of purpose of bill as introduced: This bill proposes to treat losses
from a partnership the same as losses from a sole proprietorship for the
purposes of calculating household income.

An act relating to permitting the netting of partnership losses for the
purposes of calculating household income

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

Sec. 1. 32 V.S.A. § 6061(5)(A) 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, and except that a business loss from a
6 partnership may be netted against a business gain from a partnership, as long
7 as the loss and the gain are incurred in the same tax year with respect to
8 different business;

9 Sec. 2. EFFECTIVE DATE

10 This act shall take effect on January 1, 2015 and apply to property tax
11 adjustment claims filed in 2015 and after.