1   H.317

2   Introduced by Representatives Savage of Swanton, Morrissey of Bennington,

3   Tate of Mendon, and Terenzini of Rutland Town

4   Referred to Committee on

5   Date:

6   Subject: Taxation; income taxation; exemption for military retirement income

7   Statement of purpose of bill as introduced: This bill proposes to exempt from

8   income taxation military retirement income.

9   An act relating to military pension income tax exemption

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

11   Sec. 1. 32 V.S.A. § 5823(a)(2) is amended to read:

12   (2) Military pay for full-time active duty with the U.S. Armed Services

13   earned outside the State; and the first $2,000.00 of military pay for unit

14   training in the State to National Guard and U.S. Reserve personnel for whom

15   the Adjutant and Inspector General or Reserve Component Commander

16   certifies that the taxpayer completed all unit training of his or her unit during

17   the calendar year, and who has a federal adjusted gross income of less than

18   $50,000.00; and all military retirement pay.

1   Sec 2. 32 V.S.A. § 5823(b)(3) is amended to read:

2   (3) Wages, salaries, commissions, or other income (excluding military

3   pay for full-time active duty with the U.S. Armed Services; and also excluding

4   funds received through the federal Armed Forces Educational Loan Repayment

5   Program under 10 U.S.C. chapters 109 and 1609; and also excluding the first

6    $2,000.00 of military pay for unit training in the State to National Guard and

7   U.S. Reserve personnel for whom the Adjutant and Inspector General or

8   Reserve Component Commander certifies that the taxpayer completed all unit

9   training of his or her unit during the calendar year, and who has a federal

10   adjusted gross income of less than $50,000.00; and also excluding all military

11   retirement pay) received with respect to services performed within this State.

12   Sec. 3. EFFECTIVE DATE

13   Notwithstanding 1 V.S.A. § 214, this act shall apply retroactively to

14   January 1, 2015, and shall apply to taxable year 2015 and after.