

1 S.235

2 Introduced by Senator Branagan

3 Referred to Committee on

4 Date:

5 Subject: Taxation; income tax credit; home child care

6 Statement of purpose: This bill proposes to provide a home child care credit
7 against income taxes paid by parents who choose to care for a child under six
8 years of age at home.

9 An act relating to an income tax credit for home child care

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

11 Sec. 1. 32 V.S.A. § 5828d is added to read:

12 § 5828d. CREDIT FOR HOME CHILD CARE

13 A taxpayer of this State with a federal adjusted gross income of less than
14 \$40,000.00 (or \$50,000.00 for married filing jointly) for the taxable year who
15 cared for a young child at home on a daily basis, did not place the child in a
16 day care program outside the home, and is a parent or legal guardian of the
17 child shall be eligible for a \$1,000.00 refundable credit against the tax
18 imposed under section 5822 of this title. As used in this section, “young child”
19 means a child who at any time during the taxable year was under six years of

1 age. A credit under this section shall be in lieu of any child or dependent care
2 credit available under subdivision 5822(d) or section 5828c of this title.

3 Sec. 2. EFFECTIVE DATE

4 This act shall take effect on January 1, 2019 and shall apply to returns filed
5 for taxable year 2018 and after.