

**H.911 Comparisons**  
**House Passed vs Senate Finance Passed**

Income tax reform proposals				
Provision	Current Law	Administration	House Passed	Senate Finance Passed
Starting point for taxable income calculation	Adjusted Gross Income	Adjusted Gross Income		
Standard or Itemized Deductions	Either Federal Standard Deduction or Federal itemized deductions carry through to Vermont taxes.	Vermont Standard Deduction only: \$6000 single, \$12,000 married, \$9000 HoH		
Personal Exemptions	None	\$4000 per exemption	\$4150 per exemption	\$4050 per exemption
Charitable Contributions	Deducted from taxable income after taking deduction on Federal return. Only available to itemizers.	5% credit on all charitable contributions, available to itemizers and non-itemizers	5% credit on charitable contributions up to \$10,000, available to itemizers and non-itemizers	Same as Administration
Income tax rates	3.55%, 6.8%, 7.8%, 8.8%, 8.95%	Lowers all brackets by 0.2%. (3.35%, 6.6%, 7.6%, 8.6%, 8.75%)	Collapses top two brackets and lowers all brackets by 0.2% (3.35%, 6.6%, 7.6%, 8.6%)	Lowers bottom 3 brackets by 0.2% and top 2 brackets by 0.1% (3.35%, 6.6%, 7.6%, 8.7%, 8.85%)
Earned Income Tax Credit	32% of the Federal EITC	Expands EITC to 35% of Federal EITC		
Social Security taxation	No Vermont exemption beyond the Federal exemption	AGI Up to \$45,000 (single) and \$60,000 (married), 100% exemption. Phased out over the next \$10,000 in income. <b>Phased in over 3 years.</b>	AGI Up to \$45,000 (single) and \$60,000 (married), 100% exemption. Phased out over the next \$10,000 in income	Same as House
Bonus Depreciation	Bonus depreciation must be added back to Vermont taxable income	Repeal of addback	No change to current law	Same as House
<b>FY2019 total revenue impact relative to current law (in millions)</b>	<b>N/A</b>	<b>-\$31.80</b>	<b>-\$29.40</b>	<b>-\$28.92</b>
<b>Future year costs</b>	<b>N/A</b>	<b>FY2020: \$-34.54 FY2021: \$-37.33</b>	<b>FY2020: \$-29.99 FY2021: \$-30.59</b>	<b>FY2020: \$-29.50 FY2021: \$-30.09</b>

## Changes in Income Tax Rates in H.911 (House Passed)

### Current Tax Brackets and Rates

<b>Single Filers</b>		
If VT Taxable Income is over	But Not Over	Tax Rate income in this range
0	37,900	3.55%
37,900	91,850	6.80%
91,850	191,650	7.80%
191,650	416,650	8.80%
416,650	-	8.95%

<b>Married, Joint Filers</b>		
If VT Taxable Income is over	But Not Over	Tax Rate income in this range
0	63,300	3.55%
63,300	153,100	6.80%
153,100	233,300	7.80%
233,300	416,650	8.80%
416,650	-	8.95%

- Top two income tax brackets collapsed
- Rates drop by 0.2% for each bracket



### H.911 New Tax Brackets and Rates

<b>Single Filers</b>		
If VT Taxable Income is over	But Not Over	Tax Rate income in this range
0	37,900	3.35%
37,900	91,850	6.60%
91,850	191,650	7.60%
191,650	-	8.60%

<b>Married, Joint Filers</b>		
If VT Taxable Income is over	But Not Over	Tax Rate income in this range
0	63,300	3.35%
63,300	153,100	6.60%
153,100	233,300	7.60%
233,300	-	8.60%

- Top two income tax brackets collapsed
- Rates drop by 0.2% for each bracket



## Changes in Income Tax Rates in H.911 (Senate Finance Passed)

### Current Tax Brackets and Rates

Married, Joint Filers		
If VT Taxable Income is over	But Not Over	Tax Rate income in this range
0	63,300	3.55%
63,300	153,100	6.80%
153,100	233,300	7.80%
233,300	416,650	8.80%
416,650	-	8.95%

Single Filers		
If VT Taxable Income is over	But Not Over	Tax Rate on income in this range
0	37,900	3.55%
37,900	91,850	6.80%
91,850	191,650	7.80%
191,650	416,650	8.80%
416,650	-	8.95%

- Bottom 3 brackets lowered by 0.2%
- Top 2 brackets lowered by 0.1%



### New H.911 (SF Passed) Brackets and Rates

Married, Joint Filers		
If VT Taxable Income is over	But Not Over	Tax Rate income in this range
0	63,300	3.35%
63,300	153,100	6.60%
153,100	233,300	7.60%
233,300	416,650	8.70%
416,650	-	8.85%

Single Filers		
If VT Taxable Income is over	But Not Over	Tax Rate on income in this range
0	37,900	3.35%
37,900	91,850	6.60%
91,850	191,650	7.60%
191,650	416,650	8.70%
416,650	-	8.85%

- Bottom 3 brackets lowered by 0.2%
- Top 2 brackets lowered by 0.1%

## Summary of Income Tax Impacts House Passed vs Senate Finance Passed

Income Tax Impacts: H.911 (Senate Finance) vs H.911 (House Passed) Relative to 2017 Tax Law								
AGI Group		Total Tax Change (in Millions)		Average Tax Change		Change in Effective Tax Rates <sup>a</sup>		
		H.911 (House Passed)	SF Passed	H.911 (House Passed)	SF Passed	H.911 (House Passed)	SF Passed	
\$0	\$5,000	-\$0.05	-\$0.05	-\$11.45	-\$11.42	-0.11%	-0.11%	
\$5,000	\$10,000	-\$0.15	-\$0.15	-\$11.58	-\$11.54	-0.10%	-0.10%	
\$10,000	\$15,000	-\$0.31	-\$0.28	-\$18.21	-\$16.37	-0.13%	-0.12%	
\$15,000	\$20,000	-\$0.42	-\$0.37	-\$24.09	-\$21.18	-0.13%	-0.12%	
\$20,000	\$25,000	-\$0.54	-\$0.48	-\$28.80	-\$25.02	-0.13%	-0.11%	
\$25,000	\$30,000	-\$0.70	-\$0.62	-\$36.67	-\$32.31	-0.13%	-0.12%	
\$30,000	\$35,000	-\$0.83	-\$0.75	-\$44.15	-\$39.41	-0.14%	-0.12%	
\$35,000	\$40,000	-\$0.97	-\$0.89	-\$52.66	-\$47.75	-0.15%	-0.14%	
\$40,000	\$45,000	-\$1.05	-\$0.97	-\$62.08	-\$56.82	-0.16%	-0.15%	
\$45,000	\$50,000	-\$1.04	-\$0.97	-\$70.42	-\$64.80	-0.16%	-0.15%	
\$50,000	\$60,000	-\$1.36	-\$1.21	-\$51.56	-\$44.77	-0.10%	-0.09%	
\$60,000	\$75,000	-\$0.72	-\$0.55	-\$22.17	-\$15.75	-0.04%	-0.03%	
\$75,000	\$100,000	-\$0.18	\$0.07	-\$5.40	\$1.98	-0.01%	0.00%	
\$100,000	\$125,000	\$0.96	\$1.13	\$42.65	\$50.35	0.04%	0.05%	
\$125,000	\$150,000	\$1.10	\$1.12	\$83.08	\$84.95	0.06%	0.07%	
\$150,000	\$200,000	\$1.58	\$1.45	\$124.35	\$114.95	0.08%	0.07%	
\$200,000	\$300,000	\$2.51	\$2.28	\$288.80	\$257.91	0.13%	0.12%	
\$300,000	\$500,000	\$0.63	\$0.33	\$143.67	\$75.55	0.04%	0.01%	
\$500,000	Infinity	\$1.64	\$0.91	\$404.94	\$225.64	-0.02%	-0.05%	
<b>Total</b>		<b>\$0.09</b>	<b>\$0.01</b>	<b>\$2.99</b>	<b>\$2.64</b>	<b>-0.01%</b>	<b>-0.01%</b>	

<sup>a</sup>Effective Tax Rate changes are for residents only

Note: Model based upon 2014 tax year data

**Aggregate Change in Taxes Relative to 2017**

**H.911 House Passed vs Senate Finance Passed**

<b>Aggregate Change in Taxes from H.911 Relative to 2017 (in millions of dollars)</b>				
<b>AGI Group</b>		<b>House</b>	<b>Senate</b>	<b>Difference</b>
\$0	\$50,000	-\$6.06	-\$5.53	-\$0.54
\$50,000	\$100,000	-\$2.26	-\$1.69	-\$0.57
\$100,000	\$200,000	\$3.63	\$3.70	-\$0.07
\$200,000	\$300,000	\$2.51	\$2.28	\$0.23
\$300,000	infinity	\$2.27	\$1.25	\$1.03
<b>Overall</b>		<b>\$0.09</b>	<b>\$0.01</b>	<b>\$0.08</b>

Note: Negative numbers indicate an aggregate cut in taxes.  
 Positive numbers indicate an overall increase in taxes

**Cost of Individual Provisions: H.911 (House Passed)**

<b>What is the "cost" of individual provisions of H.911? (if a provision was removed, how much revenue would be generated?)</b>	
<b>Provision Removed</b>	<b>Change in Revenues (millions)</b>
Social Security Exemption	\$4.82
Vermont Personal Exemption	\$116.61
Vermont Standard Deduction	\$119.95
Charitable Credit	\$11.77
Expanded EITC	\$2.42
Collapsing Brackets and Lowering Rates	\$34.61
Collapsing Top Two Brackets after lowering rates	\$2.94

**Cost of Individual Provisions: H.911 (Senate Finance Passed)**

<b>What is the "cost" of individual provisions of H.911 (SF Passed)? (if a provision was removed, how much revenue would be generated?)</b>	
<b>Provision Removed</b>	<b>Change in Revenues (millions)</b>
Social Security Exemption	\$4.82
Vermont Personal Exemption	\$110.11
Vermont Standard Deduction	\$120.44
Charitable Credit	\$20.12
Expanded EITC	\$2.42
Lowering Tax Rates	\$28.97

Note: Provision costs are not cumulative. The costs of each provision may change depending on the order in which it is examined. For example, the cost of the VT personal exemption will depend upon the tax brackets.