

1 H.136

2 Introduced by Representatives Howard of Rutland City, Birong of Vergennes,
3 Cina of Burlington, McCormack of Burlington, Troiano of
4 Stannard, and Wood of Waterbury

5 Referred to Committee on

6 Date:

7 Subject: Taxation; income taxes; surcharge

8 Statement of purpose of bill as introduced: This bill proposes to add a one
9 percent surcharge to personal income tax filers with more than \$500,000.00 in
10 federally adjusted gross income. The bill then uses that revenue to increase the
11 earned income tax credit available at the State level.

12 An act relating to a surcharge on income taxes

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

14 Sec. 1. 32 V.S.A. § 5822(a)(7) is added to read:

15 (7) If the federal adjusted gross income of the taxpayer exceeds
16 \$500,000.00, then the rate of tax imposed under subdivisions (1)–(6) of this
17 subsection shall be increased by one percent.

1 Sec. 2. 32 V.S.A. § 5828b is amended to read:

2 § 5828b. EARNED INCOME TAX CREDIT

3 (a) A resident individual or part-year resident individual who is entitled to
4 an earned income tax credit granted under the laws of the United States shall
5 be entitled to a credit against the tax imposed for each year by section 5822 of
6 this title. The credit shall be ~~36~~ 52 percent of the earned income tax credit
7 granted to the individual under the laws of the United States, multiplied by the
8 percentage that the individual's earned income that is earned or received
9 during the period of the individual's residency in this State bears to the
10 individual's total earned income.

11 * * *

12 Sec. 3. EFFECTIVE DATE

13 This act shall take effect on January 1, 2020 and apply to taxable years
14 starting on that date or later.