

1 S.93

2 Introduced by Senator Pearson

3 Referred to Committee on

4 Date:

5 Subject: Taxation; income tax; tax deduction; labor; union dues

6 Statement of purpose of bill as introduced: This bill proposes to create an
7 income tax deduction for union dues.

8 An act relating to the creation of an income tax deduction for union dues

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

10 Sec. 1. 32 V.S.A. § 5811 is amended to read:

11 § 5811. DEFINITIONS

12 The following definitions shall apply throughout this chapter unless the
13 context requires otherwise:

14 * * *

15 (21) "Taxable income" means, in the case of an individual, federal
16 adjusted gross income determined without regard to 26 U.S.C. § 168(k) and:

17 * * *

18 (C) Decreased by the following exemptions and deductions:

19 * * *

1 (iii) an additional deduction of \$1,000.00 for each federal
2 deduction under 26 U.S.C. § 63(f) that the taxpayer qualified for and received;
3 ~~and~~

4 (iv) the dollar amounts of the personal exemption allowed under
5 subdivision (i) of this subdivision (21)(C), the standard deduction allowed
6 under subdivision (ii) of this subdivision (21)(C), and the additional deduction
7 allowed under subdivision (iii) of this subdivision (21)(C) shall be adjusted
8 annually for inflation by the Commissioner of Taxes beginning with taxable
9 year 2018 by using the Consumer Price Index and the same methodology as
10 used for adjustments under 26 U.S.C. § 1(f)(3); provided, however, that as
11 used in this subdivision, “consumer price index” means the last Consumer
12 Price Index for All Urban Consumers published by the U.S. Department of
13 Labor; and

14 (v) the full amount of union dues paid during the taxable year; for
15 the purposes of this subdivision, union dues are those amounts that would be
16 considered deductible as union dues and agency shop fees under 26 U.S.C.
17 § 162, as that section was in effect for taxable year 2017.

18 * * *

19 Sec. 2. EFFECTIVE DATE

20 Notwithstanding 1 V.S.A. § 214, this act shall apply retroactively to
21 January 1, 2019, and shall apply to taxable year 2019 and thereafter.