1	H.677
2	Introduced by Representatives Webb of Shelburne and Brumsted of Shelburne
3	Referred to Committee on
4	Date:
5	Subject: Taxation; personal income tax; deductions; medical expenses
6	Statement of purpose of bill as introduced: This bill proposes to remove the
7	limitation on Vermont's deduction for medical expenses related to expenses
8	paid to continuing care retirement communities.
9	An act relating to Vermont's income tax deduction for medical expenses
10	It is hereby enacted by the General Assembly of the State of Vermont:
11	Sec. 1. 32 V.S.A. § 5811(21) is amended to read:
12	(21) "Taxable income" means, in the case of an individual, federal
13	adjusted gross income determined without regard to 26 U.S.C. § 168(k) and:
14	* * *
15	(C) Decreased by the following exemptions and deductions:
16	* * *
17	(iv) an amount equal to the itemized deduction for medical
18	expenses taken at the federal level by the taxpayer, under 26 U.S.C. § 213:

BILL AS INTRODUCED 2020

1	(I) minus the amount of the Vermont standard deduction and
2	Vermont personal exemptions taken by the taxpayer under this subdivision
3	(C) ; and
4	(II) minus any amount deducted at the federal level that is
5	attributable to the payment of an entrance fee or recurring monthly payment
6	made to a continuing care retirement community regulated under 8 V.S.A.
7	chapter 151, which exceeds the deductibility limits for premiums paid during
8	the taxable year on qualified long-term care insurance contracts under
9	26 U.S.C. 213(d)(10)(A) .
10	* * *
11	Sec. 2. EFFECTIVE DATES
12	This act shall take effect on passage except, notwithstanding 1 V.S.A.
13	§ 214, Sec. 1 (medical deduction) shall take effect retroactively on January 1,
14	2020 and apply to taxable years 2020 and after.