

1  
2  
3  
4  
5  
6  
7  
8  
  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19

H.199

Introduced by Representatives Webb of Shelburne and Brumsted of Shelburne

Referred to Committee on

Date:

Subject: Taxation; income taxes; medical expenses

Statement of purpose of bill as introduced: This bill proposes to permit a reduction in taxable income for Vermont’s personal income tax filers for medical expenses deducted at the federal level.

An act relating to a deduction for medical expenses

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

Sec. 1. 32 V.S.A. § 5811(21) is amended to read:

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

\* \* \*

(C) Decreased by the following exemptions and deductions:

(i) a personal exemption of \$4,150.00 per person for the taxpayer, for the spouse or the deceased spouse of the taxpayer whose filing status under section 5822 of this chapter is married filing a joint return or surviving spouse, and for each individual qualifying as a dependent of the taxpayer under

1 26 U.S.C. § 152, provided that no exemption may be claimed for an individual  
2 who is a dependent of another taxpayer;

3 (ii) a standard deduction determined as follows:

4 (I) for taxpayers whose filing status under section 5822 of this  
5 chapter is unmarried (other than surviving spouses or heads of households) or  
6 married filing separate returns, \$6,000.00;

7 (II) for taxpayers whose filing status under section 5822 of this  
8 chapter is head of household, \$9,000.00;

9 (III) for taxpayers whose filing status under section 5822 of this  
10 chapter is married filing joint return or surviving spouse, \$12,000.00;

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

14 (iv) an amount equal to the itemized deduction for medical  
15 expenses taken at the federal level by the taxpayer, under 26 U.S.C. § 213.

16 (D) ~~the~~ The dollar amounts of the personal exemption allowed under  
17 subdivision (i) of ~~this~~ subdivision (21)(C) of this section, the standard  
18 deduction allowed under subdivision (ii) of ~~this~~ subdivision (21)(C) of this  
19 section, and the additional deduction allowed under subdivision (iii) of ~~this~~  
20 subdivision (21)(C) of this section shall be adjusted annually for inflation by  
21 the Commissioner of Taxes beginning with taxable year 2018 by using the

1 Consumer Price Index and the same methodology as used for adjustments  
2 under 26 U.S.C. § 1(f)(3); provided, however, that as used in this subdivision,  
3 “consumer price index” means the last Consumer Price Index for All Urban  
4 Consumers published by the U.S. Department of Labor.

5 Sec. 2. EFFECTIVE DATE

6 Notwithstanding 1 V.S.A. § 214, this act shall take effect retroactively on  
7 January 1, 2019 and apply to taxable year 2019 and after.