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H.792

Introduced by Representatives Yacovone of Morristown, Anthony of Barre
City, Carroll of Bennington, Christensen of Weathersfield,
Cordes of Lincoln, Durfee of Shaftsbury, Fegard of Berkshire,
Lanpher of Vergennes, Morris of Springfield, Patt of Worcester,
Sullivan of Burlington, Troiano of Stannard, Walz of Barre
City, White of Hartford, and Wood of Waterbury

Referred to Committee on

Date:

Subject: Taxation; income tax; surcharge

Statement of purpose of bill as introduced: This bill proposes to put a
surcharge of one percent on adjusted gross income over \$300,000.00, in order
to help reduce the unfunded accrued liability in the Vermont State Employees
Retirement Fund and in the Vermont Teachers' Retirement Fund.

An act relating to imposing an income tax surcharge to reduce State
retirement liabilities

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

Sec. 1. 32 V.S.A. § 435(b) is amended to read:

(b) The General Fund shall be composed of revenues from the following
sources:

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(5) Individual income taxes levied pursuant to chapter 151 of this title,
except for revenue transferred pursuant to subdivision 5822(a)(7) of this title;

* * *

Sec. 2. 32 V.S.A. § 5822(a)(7) is added to read:

(7) If the taxpayer's federal adjusted gross income exceeds \$300,000.00,
then the tax calculated under this subsection shall be the sum of the tax
calculated under subdivisions (1)-(6) of this subsection and one percent of the
taxpayer's federal adjusted gross income. Each year on July 1, the Office of
Finance and Management shall estimate the amount of revenue raised under
this subdivision in the prior taxable year, and that same amount shall be
transferred from the General Fund and divided equally between the Vermont
State Employees' Postemployment Benefits Trust Fund established by
3 V.S.A. § 479a and the Vermont Teachers' Retirement Fund established by 16
V.S.A. § 1944.

Sec. 3. EFFECTIVE DATE

This act shall take effect on January 1, 2021 and apply to taxable year 2021
and after.