

1 H.146

2 Introduced by Representatives Martel of Waterford, Batchelor of Derby,
3 Fagan of Rutland City, Goslant of Northfield, Grad of
4 Moretown, Gregoire of Fairfield, Hango of Berkshire, Harrison
5 of Chittenden, Leffler of Enosburgh, Morgan, M. of Milton,
6 Morrissey of Bennington, Murphy of Fairfax, Norris of
7 Sheldon, Ode of Burlington, Page of Newport City, Palasik of
8 Milton, Peterson of Clarendon, Savage of Swanton, Sibilias of
9 Dover, Smith of Derby, Smith of New Haven, Strong of
10 Albany, Troiano of Stannard, and Williams of Granby

11 Referred to Committee on

12 Date:

13 Subject: Taxation; property tax credits; veterans' disability payments

14 Statement of purpose of bill as introduced: This bill proposes to exempt
15 disability and pension income for veterans who are permanently and totally
16 disabled from the calculation of household income for the purpose of
17 determining the income sensitivity property tax credit.

18 An act relating to the definition of household income for the purposes of the
19 property tax credit

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

2 Sec. 1. 32 V.S.A. § 6061(5) is amended to read:

3 (5) “Modified adjusted gross income” means “federal adjusted gross
4 income”:

5 * * *

6 (B) With the addition of the following, to the extent not included in
7 adjusted gross income: alimony, support money other than gifts, gifts received
8 by the household in excess of a total of \$6,500.00 in cash or ~~cash equivalents,~~
9 cash equivalents, cash public assistance and relief (not including relief granted
10 under this subchapter), cost of living allowances paid to federal employees,
11 allowances received by dependents of servicemen and women, the portion of
12 Roth IRA distributions representing investment earnings and not included in
13 adjusted gross income, railroad retirement benefits, payments received under
14 the federal Social Security Act, all benefits under Veterans’ Acts, except for
15 disability and pension income paid by the U.S. Department of Veterans Affairs
16 to veterans who are permanently and totally disabled, federal pension, and
17 annuity benefits not included in adjusted gross income; nontaxable interest
18 received from the state or federal government or any of its instrumentalities,
19 workers’ compensation, the gross amount of “loss of time” insurance, and the
20 amount of capital gains excluded from adjusted gross income, less the net
21 employment and self-employment taxes withheld from or paid by the

1 individual (exclusive of any amounts deducted to arrive at adjusted gross
2 income or deducted on account of excess payment of employment taxes) on
3 account of income included under this section, less any amounts paid as child
4 support money if substantiated by receipts or other evidence that the
5 Commissioner may require.

6 * * *

7 Sec. 2. EFFECTIVE DATE

8 This act shall take effect on January 1, 2022 and apply to property tax credit
9 claims filed on and after January 1, 2022.