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H.528

Introduced by Representatives Peterson of Clarendon, Achey of Middletown
Springs, Donahue of Northfield, Gregoire of Fairfield, Harrison
of Chittenden, Helm of Fair Haven, Lefebvre of Orange, Leffler
of Enosburgh, Martel of Waterford, Morgan, L. of Milton,
Morgan, M. of Milton, Page of Newport City, Parsons of
Newbury, Rosenquist of Georgia, Smith of Derby, and Strong
of Albany

Referred to Committee on

Date:

Subject: Taxation; income tax; deduction; home study programs

Statement of purpose of bill as introduced: This bill proposes to create an
income tax deduction for Vermont home study program expenses that a
taxpayer incurs for the taxpayer's dependent. This bill would allow home
study program expenses incurred in both taxable year 2021 and taxable year
2022 to be deducted in taxable year 2022.

An act relating to tax benefits for home study programs

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

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

3 § 5811. DEFINITIONS

4 ~~The following definitions shall apply throughout~~ As used in this chapter
5 unless the context requires otherwise:

6 * * *

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

9 * * *

10 (B) decreased by the following items of income (to the extent such
11 income is included in federal adjusted gross income):

12 * * *

13 (vi) qualified expenses for enrollment of a student in a home study
14 program, provided the student is a dependent of the taxpayer as defined under
15 26 U.S.C. § 152 and is not a dependent of another taxpayer; and

16 * * *

17 (29) As used in subdivision (21)(B)(vi) of this section, “qualified
18 expenses” means the cost of educational instruction, materials, equipment,
19 software, and computer hardware required for use during the normal school
20 day when a dependent student is attending a home study program pursuant to
21 16 V.S.A. § 166b, whether in-person or through distance learning.

1 Sec. 2. 32 V.S.A. § 5813(y) is added to read:

2 (y) The statutory purpose of the home study program deduction in
3 subdivision 5811(21)(B)(vi) of this title is to provide financial assistance to
4 Vermonters who provide home study programs to their dependents.

5 Sec. 3. HOME STUDY PROGRAMS; TAXABLE YEAR 2022 CLAIMS;

6 EXPENSES INCURRED IN TAXABLE YEAR 2021

7 For taxable year 2022 only, a deduction for home study program expenses
8 claimed pursuant to 32 V.S.A. § 5811(21)(B)(vi) may be taken for home study
9 program expenses incurred in taxable year 2021 in addition to expenses
10 incurred in taxable year 2022.

11 Sec. 4. EFFECTIVE DATE

12 Notwithstanding 1 V.S.A. § 214, this act shall take effect retroactively on
13 January 1, 2022 and shall apply to taxable years beginning on and after on
14 January 1, 2022.