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S.12

Introduced by Senators Benning, Collamore, Brock, Ingalls, Mazza, Parent
and Terenzini

Referred to Committee on

Date:

Subject: Taxation; income tax; exemption; military retirement pay

Statement of purpose of bill as introduced: This bill proposes to exempt U.S.
military retirement pay from Vermont personal income tax. The exemption
would be phased in over two years, so that in taxable year 2021, half of
federally taxable military retirement pay would be exempted. Starting in
taxable year 2022, all taxable military retirement pay would be exempted from
Vermont personal income tax.

An act relating to exempting U.S. military retirement pay from Vermont
income tax

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:

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