

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred House Bill  
3 No. 510 entitled “An act relating to creating a Vermont child tax credit”  
4 respectfully reports that it has considered the same and recommends that the  
5 bill be amended by striking out all after the enacting clause and inserting in  
6 lieu thereof the following:

7 Sec. 1. 32 V.S.A. § 5830f is added to read:

8 § 5830f. VERMONT CHILD TAX CREDIT

9 (a) A resident individual or part-year resident individual who is entitled to a  
10 child tax credit under the laws of the United States shall be entitled to a  
11 refundable credit against the tax imposed by section 5822 of this title for the  
12 taxable year. The total credit per taxable year shall be in the amount of  
13 \$1,200.00 per qualifying child, as defined under 26 U.S.C. § 152(c), who is six  
14 years of age or younger as of the close of the calendar year in which the  
15 taxable year of the taxpayer begins. For a part-year resident individual, the  
16 amount of the credit shall be multiplied by the percentage that the individual’s  
17 income that is earned or received during the period of the individual’s  
18 residency in this State bears to the individual’s total income.

19 (b) Notwithstanding subsection (a) of this section, the amount of the credit  
20 under this section shall be reduced, but not below zero, by \$50.00 for each  
21 \$1,000.00, or fraction thereof, by which the individual’s adjusted gross income

1 exceeds \$200,000.00, irrespective of the individual’s filing status. For  
2 purposes of this subsection, spouses filing jointly shall be considered an  
3 individual.

4 (c) Notwithstanding any provision of law to the contrary, the refundable  
5 credit and its payment authorized under this section shall be treated in the same  
6 manner as the federal Earned Income Tax Credit and shall not be considered as  
7 assets, income, or resources to the same extent the credit and its payment  
8 would be disregarded pursuant to 26 U.S.C. § 6409 and the general welfare  
9 doctrine for purposes of determining eligibility for benefits or assistance, or the  
10 amount or extent of those benefits or assistance, under any State or local  
11 program, including programs established under 33 V.S.A. § 3512 and chapters  
12 11, 17, 21, 25, and 26, for a period of 12 months from receipt. This subsection  
13 shall only apply to the extent that it does not conflict with federal law relating  
14 to the benefit or assistance program and that any required federal approval or  
15 waiver is first obtained for that program.

16 Sec. 2. 32 V.S.A. § 5830f(d) is added to read:

17 (d) The Commissioner shall determine and pay 50 percent of the credit  
18 allowed to each individual under this section on or before September 1 of the  
19 taxable year, unless the individual elects not to receive the payment. The  
20 remaining credit allowed to each individual under this section shall be

1 determined at the time of filing a Vermont personal income tax return for the  
2 taxable year pursuant to section 5861 of this title.

3 Sec. 3. 32 V.S.A. § 5813(y) is added to read:

4 (y) The statutory purpose of the Vermont child tax credit in section 5830f  
5 of this title is to provide financial support to families with young children.

6 Sec. 4. REPORT ON MONTHLY CHILD TAX CREDIT PAYMENTS

7 On or before January 15, 2023, the Commissioner of Taxes, in consultation  
8 with the Commissioner for Children and Families, shall report to the House  
9 Committees on Human Services and on Ways and Means and the Senate  
10 Committees on Finance and on Health and Welfare recommendations and  
11 considerations for making advance monthly payments of the child tax credit  
12 under 32 V.S.A. § 5830f, including:

13 (1) options for administering advance monthly payments during the  
14 taxable year;

15 (2) structuring the advance monthly payments or requesting preliminary  
16 approvals or waivers from federal benefit and assistance programs in a manner  
17 that will exclude the advance monthly payments from income, assets, or  
18 resources used in making benefit and assistance determinations; and

19 (3) any proposed legislative action.

20 Sec. 5. EFFECTIVE DATES

1        (a) This section and Sec. 4 (report on monthly child tax credit payments)  
2        shall take effect on passage.

3        (b) Notwithstanding 1 V.S.A. § 214, Secs. 1 and 3 (child tax credit and  
4        statutory purpose) shall take effect retroactively on January 1, 2022 and shall  
5        apply to taxable years beginning on and after January 1, 2022.

6        (c) Sec. 2 (advance payment of child tax credit) shall take effect on January  
7        1, 2023 and shall apply to taxable years beginning on and after January 1,  
8        2023.

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15        (Committee vote: \_\_\_\_\_)

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Representative \_\_\_\_\_

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FOR THE COMMITTEE