H.510 Committee of Conference Report Section Summary

Sec. 1. Child Tax Credit
- $1000 credit per child
- Eligible children: 5 years of age or younger
- Phase-out
  - Threshold begins (for both single and joint filers) at $125,000 of AGI
  - $20 per $1,000 of AGI over the threshold
- Removes short form filing requirement

Secs. 2 and 3. Child and Dependent Care Tax Credit
- Increases credit to 72% of federal CDCC

Sec. 4. Earned Income Tax Credit
- Increases credit to 38% of federal EITC

Sec. 5. Student Loan Interest Deduction
- Creates a deduction for all interest paid on student loans
- For taxpayers whose AGI is: $120,000 for single filers and $200,000 for married filers

Secs. 6 and 7. Retirement income exclusions
- Increases income thresholds for Social Security benefits exclusion by $5,000
- Creates new exclusions for $10,000 of retirement income from military, CSRS, or other states' noncontributory retirement systems, also subject to the same income thresholds as Social Security benefits.
- Only allows a taxpayer to elect one exclusion per taxable year

Sec. 8. Statutory Purposes
- Updates statutory purposes for tax expenditures

Sec. 9. Manufactured Homes Tax Credit
- Increases amount available for housing tax credit by $250,000 per year, to be used for manufactured home purchase and replacement.

Sec. 10. Appropriation for Aid for the Aged, Blind, and Disabled program
- Total appropriation of $750,000 in Global Commitment funds for Aid for the Aged, Blind, and Disabled program, paid to the Secretary’s Office of AHS from the following sources:
  - State General Fund: $330,000
  - Federal funds: $420,000

Sec. 11. Child Care Worker Retention Grant Program
- $1,000,000 is appropriated from the General Fund to DCF for the child care worker retention grant program

Sec. 12. Mutual Fund Fee
- Increases annual renewal fee paid by investment companies, from $1,500 to $1,650
Sec. 13. Effective Dates
- Secs. 1–8 (income tax credits, deduction and exclusions) take effect retroactively on January 1, 2022 and apply to taxable years beginning on and after January 1, 2022.
- Secs. 9–12 (affordable housing tax credit, appropriations, and fees) take effect on July 1, 2022.

Title change: after passage the title of the bill will be amended to read: “An act relating to tax reductions and other aid for Vermonters”