

SUMMARY OF TAX RELIEF BILL
H.527 AS INTRODUCED – 1/12/2022

Sec. 1. 32 V.S.A. § 5811(21): student loan interest payments deduction

Sec. 2. 32 V.S.A. § 5822: **subdiv. (a)(6) repeal of alternative minimum tax for individuals**; and subdiv. (d)(1) repeal of child care and dependent care credit that is 24% of federal credit

Sec. 3. 32 V.S.A. § 5825: credit for pass-through entities who pay tax in other states

Sec. 4. 32 V.S.A. § 5828c: repealing income limit for child care and dependent care credit that is 50% of federal credit

Sec. 5. 32 V.S.A. § 5828b(a): increasing earned income tax credit from 36% to 45% of federal EITC

Sec. 6. 32 V.S.A. § 5830f: credit for workforce shortages; nurse or nursing assistants and child care workers

Sec. 7. 32 V.S.A. § 5830g: first-time Vermont homebuyer credit

Sec. 8. 32 V.S.A. § 5813: statutory purposes for tax expenditures

Sec. 9. 32 V.S.A. chapter 151, subchapter 10C: federal SALT cap workaround for pass-through entities

Secs. 10–11. 32 V.S.A. §§ 3202(b) and 5859(b): **corporate estimated payment and filing deadlines; underpayment penalties**

Secs. 12–13. 32 V.S.A. §§ 5824 and 7402(8): **annual link to federal statutes in effect as of Dec. 31, 2021, applied to taxable year 2021**

Secs. 14–16. 27 V.S.A. § 654(d) and 32 V.S.A. §§ 9601 and 9617(h): **property transfer tax applied to enhanced life estates in the same way as to conventional life estates**

Secs. 17–18. 32 V.S.A. § 5866(c) and 5866a: **partnership reporting of federal audits and adjustments**

Sec. 19. 32 V.S.A. § 9741(14): sales and use tax exemption for manufacturing machinery and equipment

Sec. 20. **Effective dates: default effective date is retroactive to January 1, 2022, but Secs. 12-13 (annual link to federal statutes) apply to taxable years beginning on and after January 1, 2021; Sec. 18 federal partnership audit reporting applies to final determinations made on and after July 1, 2022; and sales tax exemption takes effect on passage.**