

1 * * * Annual Link to Federal Statutes; Unemployment Compensation * * *

2 Sec. __. 32 V.S.A. § 5824 is amended to read:

3 § 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

4 The statutes of the United States relating to the federal income tax, as in
5 effect on December 31, ~~2019~~ 2020, but without regard to federal income tax
6 rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the
7 tax liability under this chapter.

8 Sec. __. 32 V.S.A. § 7402(8) is amended to read:

9 (8) “Laws of the United States” means the U.S. Internal Revenue Code
10 of 1986, as amended through December 31, ~~2019~~ 2020. As used in this
11 chapter, “Internal Revenue Code” has the same meaning as “laws of the United
12 States” as defined in this subdivision.

13 Sec. __. ADOPTION OF ARPA EXCLUSION OF UNEMPLOYMENT

14 COMPENSATION FROM GROSS INCOME; TY 2020

15 For taxable year 2020 only, 32 V.S.A. § 5824 (adoption of federal income
16 tax laws) shall also adopt 26 U.S.C. § 85(c) as amended by Section 9042 of the
17 American Rescue Plan Act, Pub. L. No. 117-2, pursuant to which the first
18 \$10,200.00 of unemployment compensation received is excluded from the
19 gross income of a taxpayer whose taxable year 2020 adjusted gross income is
20 less than \$150,000.00.

21 Sec. __. EFFECT OF TY 2020 CONFORMITY TO FEDERAL STATUTES

1 It is the intent of the General Assembly to adopt the laws of the United
2 States relating to taxation for the taxable year 2020 only. Nothing in this act
3 shall be construed as an adoption of the laws of the United States for any future
4 taxable year.

5 * * * Effective Dates * * *

6 Sec. __. EFFECTIVE DATES

7 This act shall take effect on passage, except that, notwithstanding 1 V.S.A.
8 § 214, Secs. XX–XX (annual link to federal statutes; unemployment
9 compensation) shall take effect retroactively on January 1, 2021 and apply to
10 taxable years beginning on and after January 1, 2020.