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H.510

Senator Baruth moves to amend the proposal of amendment of the Committee on Finance by striking out Sec. 16, effective dates, and its reader assistance heading in their entirety and inserting in lieu thereof the following:

* * * 529 Plans; Student Loan Repayment; VHEIP Income Tax Credit * * *

Sec. 16. 32 V.S.A. § 5825a(b) is amended to read:

(b) A taxpayer who has received a credit under subsection (a) of this section shall repay to the Commissioner 10 percent of any distribution from a higher education investment plan account, up to a maximum of the total credits received by the taxpayer under subsection (a) of this section minus any amount of repayment of such credits in prior tax years except when the distribution:

(1) is used exclusively for costs of attendance at an approved postsecondary education institution as defined in 16 V.S.A. § 2822(6);

(2) is used for a qualifying expense associated with a registered apprenticeship program pursuant to 26 U.S.C. § 529(c)(8); ~~or~~

(3) is made after the death of the beneficiary or after the beneficiary becomes disabled pursuant to subdivisions (q)(2)(C) and (m)(7) of 26 U.S.C.

§ 72; or

(4) is used for qualified education loan repayment pursuant to 26 U.S.C. § 529(c)(9).

* * * Effective Dates * * *

1
2 Sec. 17. EFFECTIVE DATES

3 (a) This section shall take effect on passage.

4 (b) Notwithstanding 1 V.S.A. § 214, Secs. 1–5 (income tax credits and
5 exclusions), 11 and 12 (retirement income exclusions), and 16 (529 plans;
6 student loan repayment; VHEIP income tax credit) shall take effect
7 retroactively on January 1, 2022 and shall apply to taxable years beginning on
8 and after January 1, 2022.

9 (c) Secs. 6–10 (sunsets; tax credits and deduction) shall take effect on
10 January 1, 2025.

11 (d) Secs. 13 (affordable housing tax credit) and 14 and 15 (appropriations)
12 shall take effect on July 1, 2022.