

1 H.716

2 Senator Chittenden moves that the Senate propose to the House that the bill
3 be amended by striking out Sec. 3, effective date, and its reader assistance
4 heading in their entireties and inserting in lieu thereof the following:

5 * * * 529 Plans; Student Loan Repayment; VHEIP Income Tax Credit * * *

6 Sec. 3. 32 V.S.A. § 5825a(b) is amended to read:

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

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

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

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

18 § 72; or

19 (4) is used for qualified education loan repayment pursuant to 26 U.S.C.

20 § 529(c)(9).

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* * * Effective Dates * * *

Sec. 4. EFFECTIVE DATES

This act shall take effect on July 1, 2022, except, notwithstanding 1 V.S.A. § 214, Sec. 3 (529 plans; student loan repayment; VHEIP income tax credit) shall take effect retroactively on January 1, 2022 and shall apply to taxable years beginning on and after January 1, 2022.