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1	H.354
2	Introduced by Representatives Taylor of Milton, Morgan of Milton, Bartley of
3	Fairfax, Branagan of Georgia, Brennan of Colchester, Burditt of
4	West Rutland, Clifford of Rutland City, Demar of Enosburgh,
5	Galfetti of Barre Town, Gregoire of Fairfield, Higley of Lowell,
6	Labor of Morgan, Maguire of Rutland City, Oliver of Sheldon,
7	Peterson of Clarendon, Smith of Derby, Templeman of
8	Brownington, and Williams of Granby
9	Referred to Committee on
10	Date:
11	Subject: Taxation; income tax; deduction; home study programs
12	Statement of purpose of bill as introduced: This bill proposes to create an
13	income tax deduction for Vermont home study program expenses that a
14	taxpayer incurs for the taxpayer's dependent. This bill would allow a
15	deduction for up to \$1,000.00 of home study program expenses incurred per
16	dependent.

An act relating to an income tax deduction for home study programs

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1	It is hereby enacted by the General Assembly of the State of Vermont:
2	Sec. 1. 32 V.S.A. § 5811 is amended to read:
3	§ 5811. DEFINITIONS
4	The following definitions shall apply throughout As used in this chapter
5	unless the context requires otherwise:
6	* * *
7	(21) "Taxable income" means, in the case of an individual, federal
8	adjusted gross income determined without regard to 26 U.S.C. § 168(k) and:
9	* * *
10	(B) decreased by the following items of income (to the extent such
11	income is included in federal adjusted gross income):
12	* * *
13	(v) the amount of any federal deduction or credit that the taxpayer
14	would have been allowed for the cultivation, testing, processing, or sale of
15	cannabis or cannabis products as authorized under 7 V.S.A. chapter 33 or 37,
16	but for 26 U.S.C. § 280E; and
17	(vi) the amount of interest paid by a qualified resident taxpayer
18	during the taxable year on a qualified education loan for the costs of attendance

at an eligible educational institution; and

1	(vii) \$1,000.00 of qualified expenses for enrollment of a student in
2	a home study program, provided the student is a dependent of the taxpayer as
3	defined under 26 U.S.C. § 152 and is not a dependent of another taxpayer; and
4	* * *
5	(30) As used in subdivision (21)(B)(vii) of this section, "qualified
6	expenses" means the cost of educational instruction, materials, equipment,
7	software, and computer hardware required for use during the normal school
8	day when a dependent student is attending a home study program pursuant to
9	16 V.S.A. § 166b, whether in person or through distance learning.
10	Sec. 2. 32 V.S.A. § 5813(aa) is added to read:
11	(aa) The statutory purpose of the home study program deduction in
12	subdivision 5811(21)(B)(vii) of this title is to provide financial assistance to
13	Vermonters who provide home study programs to their dependents.
14	Sec. 3. EFFECTIVE DATE
15	Notwithstanding 1 V.S.A. § 214, this act shall take effect retroactively on
16	January 1, 2023 and shall apply to taxable years beginning on and after
17	January 1, 2023.