

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred House Bill
3 No. 828 entitled “An act relating to the creation of a personal income tax
4 surcharge” respectfully reports that it has considered the same and
5 recommends that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 Sec. 1. 32 V.S.A. § 5822a is added to read:

8 § 5822a. PERSONAL INCOME TAX SURCHARGE

9 (a) There shall be a surcharge of three percent of federal adjusted gross
10 income that exceeds \$500,000.00 for individuals with federal adjusted gross
11 income equal to or greater than \$500,000.00.

12 (b) The surcharge shall be in addition to any tax assessed under this chapter
13 and shall be paid, collected, and enforced in the same manner as the tax
14 assessed under section 5822 of this title, including a reduction of tax liability
15 after allocation of non-Vermont income, and providing credit for taxes paid to
16 another state if any credit is left over after applying it to the tax due under that
17 section. The surcharge shall not apply to income exempted from State taxation
18 under the laws of the United States.

19 (c) Annually, the Commissioner of Taxes shall use the process required
20 under subdivision 5822(b)(2) of this title to adjust for inflation the minimum

1 amount of federal adjusted gross income necessary for an individual to incur
2 this surcharge.

3 Sec. 2. EFFECTIVE DATE

4 Notwithstanding 1 V.S.A. § 214, this act shall take effect retroactively on
5 January 1, 2024 and apply to taxable years on and after January 1, 2024.

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13 (Committee vote: _____)

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Representative _____

FOR THE COMMITTEE