

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred Senate Bill No. 45
3 entitled “An act relating to an act relating to an elective pass-through entity
4 income tax and credit” respectfully reports that it has considered the same and
5 recommends that the bill be amended by striking out Sec. 4, effective date, in
6 its entirety and inserting in lieu thereof the following:

7 Sec. 4. REPEALS; SALT DEDUCTION CAP WORKAROUND

8 (a) 32 V.S.A. chapter 151, subchapter 10C (Elective Pass-Through Entity
9 Income Tax) is repealed.

10 (b) 32 V.S.A. § 5825(c) (credit for taxes paid to other states and provinces)
11 is repealed.

12 Sec. 5. EFFECTIVE DATES

13 (a) Notwithstanding 1 V.S.A. § 214, this section and Secs. 1–3 (SALT
14 deduction cap workaround) shall take effect retroactively on January 1, 2023
15 and shall apply to taxable years beginning on and after January 1, 2023.

16 (b) Sec. 4 (repeals; SALT deduction cap workaround) shall take effect on
17 the later of December 31, 2025 or the date on which the federal limitation on
18 individual deductions for state and local taxes under 26 U.S.C. § 164(b)(6) is
19 repealed or otherwise abrogated.

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(Committee vote: _____)

Senator _____

FOR THE COMMITTEE