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Act No. 71 (S.51). An act relating to Vermont income tax exclusions and tax credits

Subjects: Income tax; taxation; tax credit

This act makes several changes to Vermont income tax credits and income tax exclusions. For the Vermont child tax credit, it increases the maximum age for a child to count as a qualifying child from age five to age six. For the Vermont earned income tax credit, it increases the amount provided to an individual who does not claim any qualifying children from 38 percent of the federal credit to 100 percent of the federal credit. For the exclusion of retirement income, the act increases the income thresholds used to determine eligibility by \$5,000.00 of adjusted gross income. The act further expands the exclusion of U.S. military retirement income by allowing an exclusion for survivor benefits and significantly increasing the income thresholds for eligibility and the amount that can be excluded from income taxation. The act also creates a Vermont veteran tax credit for residents with low income who have a discharge record from the uniformed services.

Effective Date: January 1, 2025