

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
  
17  
18

H.76

Introduced by Representatives Hango of Berkshire, Bartley of Fairfax, Birong of Vergennes, Branagan of Georgia, Christie of Hartford, Coffin of Cavendish, Demar of Enosburgh, Galfetti of Barre Town, Goslant of Northfield, Gregoire of Fairfield, Higley of Lowell, Hooper of Burlington, Kascenska of Burke, Keyser of Rutland City, Laroche of Franklin, McFaun of Barre Town, Morgan, L. of Milton, Morgan, M. of Milton, North of Ferrisburgh, Noyes of Wolcott, Page of Newport City, Pinsonault of Dorset, Southworth of Walden, and Tagliavia of Corinth

Referred to Committee on

Date:

Subject: Taxation; income tax; National Guard

Statement of purpose of bill as introduced: This bill proposes to exempt the State active duty subsistence and quarters allowance paid to members of the National Guard from Vermont personal income tax.

An act relating to an income tax exemption for National Guard active duty subsistence and quarters allowance

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 Sec. 1. 32 V.S.A. § 5823(a) is amended to read:

3 (a) For any taxable year, the Vermont income of a resident individual is the  
4 adjusted gross income of the individual for that taxable year, and the Vermont  
5 income of a resident estate or trust is its gross income for the taxable year, less:

6 \* \* \*

7 (2) military pay for full-time active duty with the U.S. Armed Services  
8 earned outside the State; ~~and~~ the first \$2,000.00 of military pay for unit  
9 training in the State to National Guard and U.S. Reserve personnel for whom  
10 the Adjutant and Inspector General or Reserve Component Commander  
11 certifies that the taxpayer completed all unit training of his or her unit during  
12 the calendar year, and who has a federal adjusted gross income of less than  
13 \$50,000.00; and State active duty subsistence and quarters allowance paid to  
14 members of the National Guard under 20 V.S.A. § 603;

15 \* \* \*

16 Sec. 2. EFFECTIVE DATE

17 Notwithstanding 1 V.S.A. § 214, this act shall take effect on January 1,  
18 2026 and apply retroactively to taxable years beginning on and after January 1,  
19 2025.