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H.249

Introduced by Representatives Taylor of Milton, Bartley of Fairfax, Burditt of West Rutland, Coffin of Cavendish, Dobrovich of Williamstown, Galfetti of Barre Town, Hango of Berkshire, Higley of Lowell, Laroche of Franklin, Luneau of St. Albans City, Micklus of Milton, Morgan, L. of Milton, Morgan, M. of Milton, Morrissey of Bennington, Page of Newport City, Pinsonault of Dorset, Powers of Waterford, Priestley of Bradford, Pritchard of Pawlet, Tagliavia of Corinth, and Toof of St. Albans Town

Referred to Committee on

Date:

Subject: Taxation; income tax; deduction; home study programs

Statement of purpose of bill as introduced: This bill proposes to create an income tax deduction for Vermont home study program expenses that a taxpayer incurs for the taxpayer's dependent.

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

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

Sec. 1. 32 V.S.A. § 5811 is amended to read:

§ 5811. DEFINITIONS

1 As used in this chapter unless the context requires otherwise:

2 * * *

3 (21) “Taxable income” means, in the case of an individual, federal
4 adjusted gross income determined without regard to 26 U.S.C. § 168(k) and:

5 * * *

6 (B) decreased by the following items of income (to the extent such
7 income is included in federal adjusted gross income):

8 * * *

9 (v) the amount of any federal deduction or credit that the taxpayer
10 would have been allowed for the cultivation, testing, processing, or sale of
11 cannabis or cannabis products as authorized under 7 V.S.A. chapter 33 or 37,
12 but for 26 U.S.C. § 280E; ~~and~~

13 (vi) the amount of interest paid by a qualified resident taxpayer
14 during the taxable year on a qualified education loan for the costs of attendance
15 at an eligible educational institution; and

16 (vii) \$1,000.00 of qualified expenses for enrollment of a student in
17 a home study program, provided the student is a dependent of the taxpayer as
18 defined under 26 U.S.C. § 152 and is not a dependent of another taxpayer; and

19 * * *

20 (30) As used in subdivision (21)(B)(vii) of this section, “qualified
21 expenses” means the cost of educational instruction, materials, equipment,

1 software, and computer hardware required for use during the normal school
2 day when a dependent student is attending a home study program pursuant to
3 16 V.S.A. § 166b, whether in person or through distance learning.

4 Sec. 2. 32 V.S.A. § 5813 is amended to read:

5 * * *

6 (aa) The statutory purpose of the home study program deduction in
7 subdivision 5811(21)(B)(vii) of this title is to provide financial assistance to
8 Vermonters who provide home study programs to their dependents.

9 Sec. 3. EFFECTIVE DATE

10 Notwithstanding 1 V.S.A. § 214, this act shall take effect retroactively on
11 January 1, 2025 and shall apply to taxable years beginning on and after
12 January 1, 2025.