

1 H.621
2 Introduced by Representatives Waszazak of Barre City, Yacovone of
3 Morristown, and Bluemle of Burlington
4 Referred to Committee on
5 Date:
6 Subject: Taxation; income tax; personal income tax; tax brackets
7 Statement of purpose of bill as introduced: This bill proposes to create two
8 new personal income tax brackets.

9 An act relating to personal income tax brackets
10 It is hereby enacted by the General Assembly of the State of Vermont:
11 Sec. 1. 32 V.S.A. § 5822 is amended to read:
12 § 5822. TAX ON INCOME OF INDIVIDUALS, ESTATES, AND TRUSTS
13 (a) A tax is imposed for each taxable year upon the taxable income earned
14 or received in that year by every individual, estate, and trust, subject to income
15 taxation under the laws of the United States, in an amount determined by the
16 following tables, and adjusted as required under this section:

17 (1) Married individuals filing joint returns and surviving spouses:
18 If taxable income is: The tax is:
19 Not over \$64,600.00 \$84,700.00 3.35% of taxable income
20 Over \$64,600.00 \$84,700.00 but \$2,164.00 \$2,837.00 plus 6.6% of the

1	not over \$156,150.00	<u>\$204,750.00</u>	amount of taxable income over
2			\$64,600.00 <u>\$84,700.00</u>
3	Over \$156,150.00	<u>\$204,750.00</u> but	\$8,206.00 <u>\$10,761.00</u> plus 7.6% of
4	not over \$237,950.00	<u>\$312,050.00</u>	the amount of taxable income over
5			\$156,150.00 <u>\$204,750.00</u>
6	Over \$237,950.00	<u>\$312,050.00</u> but	\$14,423.00 <u>\$18,916.00</u>
7	not over \$500,000.00		plus 8.75% of the amount of taxable
8			income over \$237,950.00
9			<u>\$312,050.00</u>
10	Over \$500,000.00 but not over		\$35,361.00 plus 11.75% of the
11	<u>\$1,000,000.00</u>		amount of taxable income over
12			<u>\$500,000.00</u>
13	Over \$1,000,000.00		\$94,111.00 plus 13.75% of the
14			amount of taxable income over
15			<u>\$1,000,000.00</u>
16	(2) Heads of households:		
17	If taxable income is:		The tax is:
18	Not over \$51,850.00	<u>\$68,000.00</u>	3.35% of taxable income
19	Over \$51,850.00	<u>\$68,000.00</u> but	\$1,737.00 <u>\$2,278.00</u> plus 6.6% of the
20	not over \$133,850.00	<u>\$175,500.00</u>	amount of taxable income over
21			<u>\$51,850.00</u> \$64,200.00

1	Over \$133,850.00 <u>\$175,500.00</u> but not over <u>\$216,700.00</u> <u>\$284,150.00</u>	\$7,149.00 <u>\$9,373.00</u> plus 7.60% of the amount of taxable income over <u>\$133,850.00</u> <u>\$175,500.00</u>
2	Over \$216,700.00 <u>\$284,150.00</u> <u>but not over \$455,300.00</u>	\$13,446.00 <u>\$17,630.00</u> plus 8.75% of the amount of taxable income over <u>\$216,700.00</u> <u>\$284,150.00</u>
3	<u>Over \$455,300.00 but not over \$910,600.00</u>	<u>\$32,606.00 plus 11.75% of the amount of taxable income over \$455,300.00</u>
4	<u>Over \$910,600.00</u>	<u>\$86,103.00 plus 13.75% of the amount of taxable income over \$910,600.00</u>
5	(3) Unmarried individuals (other than surviving spouse or head of household):	
6	If taxable income is:	The tax is:
7	Not over <u>\$38,700.00</u> <u>\$50,750.00</u>	3.35% of taxable income
8	Over <u>\$38,700.00</u> <u>\$50,750.00</u> but not over <u>\$93,700.00</u> <u>\$122,850.00</u>	\$1,296.00 <u>\$1,700.00</u> plus 6.6% of the amount of taxable income over <u>\$38,700.00</u> <u>\$50,750.00</u>
9	Over <u>\$93,700.00</u> <u>\$122,850.00</u> but not over <u>\$195,450.00</u> <u>\$256,300.00</u>	\$4,926.00 <u>\$6,459.00</u> plus 7.6% of the amount of taxable income over <u>\$195,450.00</u> <u>\$256,300.00</u>

1		\$93,700.00	<u>\$122,850.00</u>
2	Over \$195,450.00 <u>\$256,300.00</u> but	\$12,659.00	<u>\$16,601.00</u> plus 8.75% of
3	<u>not over \$410,650.00</u>		the amount of taxable income over
4		\$195,450.00	<u>\$256,300.00</u>
5	Over \$410,650.00 but <u>not over</u>	\$30,108.00	<u>plus 11.75% of the</u>
6	<u>\$821,350.00</u>		amount of taxable income over
7		\$410,650.00	
8	<u>Over \$821,350.00</u>	\$78,362.00	<u>plus 13.75% of the</u>
9			amount of taxable income over
10		\$821,350.00	
11	(4) Married individuals filing separate returns:		
12	If taxable income is:	The tax is:	
13	Not over \$32,300.00 <u>\$42,350.00</u>	3.35% of taxable income	
14	Over \$32,300.00 <u>\$42,350.00</u> but	\$1,082.00	<u>\$1,419.00</u> plus 6.6% of the
15	<u>not over \$78,075.00 \$102,375.00</u>		amount of taxable income over
16		\$32,300.00	<u>\$42,350.00</u>
17	Over \$78,075.00 <u>\$102,375.00</u> but	\$4,103.00	<u>\$5,380.00</u> plus 7.6% of the
18	<u>not over \$118,975.00 \$156,025.00</u>		amount of taxable income over
19		\$78,075.00	<u>\$102,375.00</u>
20	Over \$118,975.00 <u>\$156,025.00</u> but	\$7,212.00	<u>\$9,458.00</u> plus 8.75% of
21	<u>not over \$250,000.00</u>		the amount of taxable income over

1		\$118,975.00	<u>\$156,025.00</u>
2	<u>Over \$250,000.00 but not over</u>		<u>\$17,681.00 plus 11.75% of the</u>
3	<u>\$500,000.00</u>		<u>amount of taxable income over</u>
4			<u>\$250,000.00</u>
5	<u>Over \$500,000.00</u>		<u>\$47,056.00 plus 13.75% of the</u>
6			<u>amount of taxable income over</u>
7			<u>\$500,000.00</u>

(5) Estates and trusts:

9	If taxable income is:	The tax is:
10	\$2,600.00 <u>\$3,400.00</u> or less	3.35% of taxable income
11	Over \$2,600.00 <u>\$3,400.00</u> but	\$87.00 <u>\$114.00</u> plus 6.6% of the
12	not over \$6,100.00 <u>\$8,000.00</u>	amount of taxable income over
13		<u>\$2,600.00 \$3,400.00</u>
14	Over \$6,100.00 <u>\$8,000.00</u> but	\$318.00 <u>\$418.00</u> plus 7.6% of the
15	not over \$9,350.00 <u>\$12,250.00</u>	amount of taxable income over
16		<u>\$6,100.00 \$8,000.00</u>
17	Over \$9,350.00 <u>\$12,250.00</u>	\$565.00 <u>\$741.00</u> plus 8.75% of the
18		amount of taxable income over
19		<u>\$9,350.00 \$12,250.00</u>

(6) If the federal adjusted gross income of the taxpayer exceeds

21 \$150,000.00, then the tax calculated under this subsection shall be the greater

1 of the tax calculated under subdivisions (1)–(5) of this subsection or three
2 percent of the taxpayer’s federal adjusted gross income.

3 (b) As used in this section:

4 (1) “Married individuals,” “surviving spouse,” “head of household,”
5 “unmarried individual,” “estate,” and “trust” have the same meaning as under
6 the Internal Revenue Code.

7 (2) The amounts of taxable income shown in the tables in this section
8 shall be adjusted annually for inflation by the Commissioner of Taxes using
9 the Consumer Price Index adjustment percentage, in the manner prescribed for
10 inflation adjustment of federal income tax tables for the taxable year by the
11 Commissioner of Internal Revenue, beginning with taxable year 2003 2026;
12 provided, however, notwithstanding 26 U.S.C. § 1(f)(3), that as used in this
13 subdivision, “consumer price index” means the last Consumer Price Index for
14 All Urban Consumers published by the U.S. Department of Labor.

15 * * *

16 Sec. 2. EFFECTIVE DATE

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