

1 S.51

2 An act relating to the Vermont unpaid caregiver tax credit

3 The House proposes to the Senate to amend the bill by striking out all after
4 the enacting clause and inserting in lieu thereof the following:

5 Sec. 1. 32 V.S.A. § 5830f is amended to read:

6 § 5830f. VERMONT CHILD TAX CREDIT

7 (a) A resident individual or part-year resident individual who is entitled to a
8 child tax credit under the laws of the United States or who would have been
9 entitled to a child tax credit under the laws of the United States but for the fact
10 that the individual or the individual's spouse does not have a taxpayer
11 identification number shall be entitled to a refundable credit against the tax
12 imposed by section 5822 of this title for the taxable year. The total credit per
13 taxable year shall be in the amount of \$1,000.00 per qualifying child, as
14 defined under 26 U.S.C. § 152(c) but notwithstanding the taxpayer
15 identification number requirements under 26 U.S.C. § 24(e) and (h)(7), who is
16 ~~five~~ six years of age or younger as of the close of the calendar year in which
17 the taxable year of the taxpayer begins. For a part-year resident individual, the
18 amount of the credit shall be multiplied by the percentage that the individual's
19 income that is earned or received during the period of the individual's
20 residency in this State bears to the individual's total income. An otherwise
21 eligible individual shall be entitled to the credit under this section without

1 regard for the laws of the United States pertaining to the amount of federal
2 child tax credit that may be refunded.

3 * * *

4 Sec. 2. 32 V.S.A. § 5828b is amended to read:

5 § 5828b. EARNED INCOME TAX CREDIT

6 (a) A resident individual or part-year resident individual who is entitled to
7 an earned income tax credit granted under the laws of the United States ~~or who~~
8 ~~would have been entitled to an earned income tax credit under the laws of the~~
9 ~~United States but for the fact that the individual, the individual's spouse, or one~~
10 ~~or more of the individual's children does not have a qualifying taxpayer~~
11 ~~identification number~~ shall be entitled to a credit against the tax imposed for
12 each year by section 5822 of this title. The credit shall be for an individual
13 who claims one or more qualifying children 38 percent or for an individual
14 who does not claim one or more qualifying children 100 percent of the earned
15 income tax credit granted to the individual under the laws of the United States
16 ~~or that would have been granted to the individual under the laws of the United~~
17 ~~States but for the fact that the individual, the individual's spouse, or one or~~
18 ~~more of the individual's children does not have a qualifying taxpayer~~
19 ~~identification number~~, multiplied by the percentage that the individual's
20 income that is earned or received during the period of the individual's
21 residency in this State bears to the individual's total income. A resident

1 individual or part-year resident individual who would have been entitled to or
2 granted an earned income tax credit under the laws of the United States but for
3 the fact that the individual, the individual's spouse, or one or more of the
4 individual's children does not have a qualifying taxpayer identification number
5 shall be entitled to a credit under this section.

6 * * *

7 Sec. 3. 32 V.S.A. § 5830e is amended to read:

8 § 5830e. RETIREMENT INCOME; SOCIAL SECURITY INCOME

9 (a) Social Security income. The portion of federally taxable Social
10 Security benefits excluded from taxable income under subdivision
11 5811(21)(B)(iv) of this chapter shall be as follows:

12 (1) For taxpayers whose filing status is single, married filing separately,
13 head of household, or surviving spouse:

14 (A) If the federal adjusted gross income of the taxpayer is less than or
15 equal to ~~\$50,000.00~~ \$55,000.00, all federally taxable benefits received under
16 the federal Social Security Act shall be excluded.

17 (B) If the federal adjusted gross income of the taxpayer is greater than
18 ~~\$50,000.00~~ \$55,000.00 but less than ~~\$60,000.00~~ \$65,000.00, the percentage of
19 federally taxable benefits received under the Social Security Act to be
20 excluded shall be proportional to the amount of the taxpayer's federal adjusted
21 gross income over ~~\$50,000.00~~ \$55,000.00, determined by:

1 (i) subtracting the federal adjusted gross income of the taxpayer
2 from ~~\$60,000.00~~ \$65,000.00;

3 (ii) dividing the value under subdivision (i) of this subdivision (B)
4 by \$10,000.00; and

5 (iii) multiplying the value under subdivision (ii) of this subdivision
6 (B) by the federally taxable benefits received under the Social Security Act.

7 (C) If the federal adjusted gross income of the taxpayer is equal to or
8 greater than ~~\$60,000.00~~ \$65,000.00, no amount of the federally taxable
9 benefits received under the Social Security Act shall be excluded under this
10 section.

11 (2) For taxpayers whose filing status is married filing jointly:

12 (A) If the federal adjusted gross income of the taxpayer is less than or
13 equal to ~~\$65,000.00~~ \$70,000.00, all federally taxable benefits received under
14 the Social Security Act shall be excluded.

15 (B) If the federal adjusted gross income of the taxpayer is greater than
16 ~~\$65,000.00~~ \$70,000.00 but less than ~~\$75,000.00~~ \$80,000.00, the percentage of
17 federally taxable benefits received under the Social Security Act to be
18 excluded shall be proportional to the amount of the taxpayer's federal adjusted
19 gross income over ~~\$65,000.00~~ \$70,000.00, determined by:

20 (i) subtracting the federal adjusted gross income of the taxpayer
21 from ~~\$75,000.00~~ \$80,000.00;

1 (ii) dividing the value under subdivision (i) of this subdivision (B)
2 by \$10,000.00; and

3 (iii) multiplying the value under subdivision (ii) of this subdivision
4 (B) by the federally taxable benefits received under the Social Security Act.

5 (C) If the federal adjusted gross income of the taxpayer is equal to or
6 greater than ~~\$75,000.00~~ \$80,000.00, no amount of the federally taxable
7 benefits received under the Social Security Act shall be excluded under this
8 section.

9 (b) Civil Service Retirement System income. The portion of income
10 received from the Civil Service Retirement System excluded from taxable
11 income under subdivision 5811(21)(B)(iv) of this title shall be subject to the
12 limitations under subsection (e) of this section and shall be determined as
13 follows:

14 (1) For taxpayers whose filing status is single, married filing separately,
15 head of household, or surviving spouse:

16 (A) If the federal adjusted gross income of the taxpayer is less than or
17 equal to ~~\$50,000.00~~ \$55,000.00, the first \$10,000.00 of income received from
18 the Civil Service Retirement System shall be excluded.

19 (B) If the federal adjusted gross income of the taxpayer is greater than
20 ~~\$50,000.00~~ \$55,000.00 but less than ~~\$60,000.00~~ \$65,000.00, the percentage of
21 the first \$10,000.00 of income received from the Civil Service Retirement

1 System to be excluded shall be proportional to the amount of the taxpayer's
2 federal adjusted gross income over ~~\$50,000.00~~ \$55,000.00, determined by:

3 (i) subtracting the federal adjusted gross income of the taxpayer
4 from ~~\$60,000.00~~ \$65,000.00;

5 (ii) dividing the value under subdivision (i) of this subdivision (B)
6 by \$10,000.00; and

7 (iii) multiplying the value under subdivision (ii) of this subdivision
8 (B) by the first \$10,000.00 of income received from the Civil Service
9 Retirement System.

10 (C) If the federal adjusted gross income of the taxpayer is equal to or
11 greater than ~~\$60,000.00~~ \$65,000.00, no amount of the income received from
12 the Civil Service Retirement System shall be excluded under this section.

13 (2) For taxpayers whose filing status is married filing jointly:

14 (A) If the federal adjusted gross income of the taxpayer is less than or
15 equal to ~~\$65,000.00~~ \$70,000.00, the first \$10,000.00 of income received from
16 the Civil Service Retirement System shall be excluded.

17 (B) If the federal adjusted gross income of the taxpayer is greater than
18 ~~\$65,000.00~~ \$70,000.00 but less than ~~\$75,000.00~~ \$80,000.00, the percentage of
19 the first \$10,000.00 of income received from the Civil Service Retirement
20 System to be excluded shall be proportional to the amount of the taxpayer's
21 federal adjusted gross income over ~~\$65,000.00~~ \$70,000.00, determined by:

1 (i) subtracting the federal adjusted gross income of the taxpayer
2 from ~~\$75,000.00~~ \$80,000.00;

3 (ii) dividing the value under subdivision (i) of this subdivision (B)
4 by \$10,000.00; and

5 (iii) multiplying the value under subdivision (ii) of this subdivision
6 (B) by the first \$10,000.00 of income received from the Civil Service
7 Retirement System.

8 (C) If the federal adjusted gross income of the taxpayer is equal to or
9 greater than ~~\$75,000.00~~ \$80,000.00, no amount of the income received from
10 the Civil Service Retirement System shall be excluded under this section.

11 (c) Other contributory retirement systems; earnings not covered by Social
12 Security. Other retirement income, except U.S. military retirement income
13 pursuant to subsection (d) of this section, received by a taxpayer of this State
14 shall be excluded pursuant to subsection (b) of this section as though the
15 income were received from the Civil Service Retirement System and shall be
16 subject to the limitations under subsection (e) of this section, provided that:

17 * * *

18 (d) U.S. military retirement income and U.S. military survivor benefit
19 income. For taxpayers of any filing status, U.S. military retirement income,
20 and U.S. military survivor benefit income received by an eligible beneficiary.

1 received by a taxpayer of this State shall be excluded from taxable income
2 under subdivision 5811(21)(B)(iv) of this chapter as follows:

3 (1) If the federal adjusted gross income of the taxpayer is less than or
4 equal to \$125,000.00, all federally taxable U.S. military retirement income and
5 survivor benefit income shall be excluded.

6 (2) If the federal adjusted gross income of the taxpayer is greater than
7 \$125,000.00 but less than \$175,000.00, the percentage of federally taxable
8 U.S. military retirement income and survivor benefit income to be excluded
9 shall be proportional to the amount of the taxpayer's federal adjusted gross
10 income over \$125,000.00, determined by:

11 (A) subtracting the federal adjusted gross income of the taxpayer
12 from \$175,000.00;

13 (B) dividing the value under subdivision (A) of this subdivision (2)
14 by \$50,000.00; and

15 (C) multiplying the value under subdivision (B) of this subdivision
16 (2) by the federally taxable U.S. military retirement income and survivor
17 benefit income received.

18 (3) pursuant to subsection (b) of this section as though the income were
19 received from the Civil Service Retirement System and shall be subject to the
20 limitations under subsection (e) of this section If the federal adjusted gross
21 income of the taxpayer is equal to or greater than \$175,000.00, no amount of

1 the federally taxable U.S. military retirement income and survivor benefit
2 income received shall be excluded under this section.

3 (e)(1) Requirement to elect one exclusion. A taxpayer of this State who is
4 eligible during the taxable year for more than one of the exclusions under
5 subsections (a), (b), and (c) of this section ~~the Social Security income~~
6 ~~exclusion under subsection (a) of this section and any of the exclusions under~~
7 ~~subsections (b)–(d) of this section~~ shall elect either only one of the exclusions
8 for which the taxpayer is eligible ~~under subsections (b)–(d) of this section or~~
9 ~~the Social Security income exclusion under subsection (a) of this section, but~~
10 ~~not both, for the taxable year. A taxpayer of this State who is eligible during~~
11 ~~the taxable year for more than one of the exclusions under subsections (b)–(d)~~
12 ~~of this section shall elect only one of the exclusions for which the taxpayer is~~
13 ~~eligible for the taxable year.~~

14 (2) A taxpayer of this State who is eligible during the taxable year for
15 the military retirement and survivor benefit exclusion under subsection (d) of
16 this section may elect that exclusion regardless of whether the taxpayer also
17 elects an exclusion under subsections (a)–(c) of this section.

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

19 § 5813. STATUTORY PURPOSES

20 * * *

1 (aa) The statutory purpose of the Vermont veteran tax credit in section
2 5830g of this title is to provide financial support to Vermonters who served in
3 the U.S. uniformed services.

4 Sec. 5. 32 V.S.A. § 5830g is added to read:

5 § 5830g. VERMONT VETERAN TAX CREDIT

6 (a) A resident individual or part-year resident individual who served in the
7 uniformed services shall be entitled to a refundable credit against the tax
8 imposed by section 5822 of this title for the taxable year.

9 (b) A taxpayer shall be eligible for the credit under this section provided
10 the taxpayer has a discharge record, or other record of separation from active
11 duty, verifying service in the uniformed services.

12 (c)(1) If the federal adjusted gross income of the taxpayer is less than or
13 equal to \$25,000.00, the amount of tax credit provided under this section shall
14 be \$250.00.

15 (2) If the federal adjusted gross income of the taxpayer is greater than
16 \$25,000.00 but less than \$30,000.00, the amount of credit shall be \$250.00 less
17 \$5.00 per \$100.00 of federal adjusted gross income exceeding \$25,000.00 of
18 federal adjusted gross income.

19 (3) If the federal adjusted gross income of the taxpayer is \$30,000.00 or
20 greater, no amount of credit shall be provided under this section.

1 Sec. 6. EFFECTIVE DATE

2 Notwithstanding 1 V.S.A. § 214, this act shall take effect retroactively on
3 January 1, 2025 and apply to taxable years beginning on and after January 1,
4 2025.

5 and that after passage the title of the bill be amended to read: “An act
6 relating to Vermont income tax exclusions and tax credits”