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H.933

Representatives Priestley of Bradford and Cole of Hartford move that the bill be amended as follows:

First: By adding a reader assistance heading and a new section to be Sec. 61a to read as follows:

\* \* \* Income Tax Brackets \* \* \*

Sec. 61a. 32 V.S.A. § 5822 is amended to read:

§ 5822. TAX ON INCOME OF INDIVIDUALS, ESTATES, AND TRUSTS

(a) A tax is imposed for each taxable year upon the taxable income earned or received in that year by every individual, estate, and trust, subject to income taxation under the laws of the United States, in an amount determined by the following tables, and adjusted as required under this section:

(1) Married individuals filing joint returns and surviving spouses:

If taxable income is:	The tax is:
Not over <del>\$64,600.00</del> <u>\$84,700.00</u>	3.35% of taxable income
Over <del>\$64,600.00</del> <u>\$84,700.00</u> but not over <del>\$156,150.00</del> <u>\$204,750.00</u>	<del>\$2,164.00</del> <u>\$2,837.00</u> plus 6.6% of the amount of taxable income over <del>\$64,600.00</del> <u>\$84,700.00</u>
Over <del>\$156,150.00</del> <u>\$204,750.00</u> but not over <del>\$237,950.00</del> <u>\$312,050.00</u>	<del>\$8,206.00</del> <u>\$10,761.00</u> plus 7.6% of the amount of taxable income over <del>\$156,150.00</del> <u>\$204,750.00</u>

1	Over <del>\$237,950.00</del> <u>\$312,050.00</u> but	<del>\$14,423.00</del> <u>\$18,916.00</u>
2	<u>not over \$500,000.00</u>	plus 8.75% of the amount of taxable
3		income over <del>\$237,950.00</del>
4		<u>\$312,050.00</u>
5	<u>Over \$500,000.00 but not over</u>	<u>\$35,361.00 plus 11.75% of the</u>
6	<u>\$1,000,000.00</u>	<u>amount of taxable income over</u>
7		<u>\$500,000.00</u>
8	<u>Over \$1,000,000.00</u>	<u>\$94,111.00 plus 13.75% of the</u>
9		<u>amount of taxable income over</u>
10		<u>\$1,000,000.00</u>
11	(2) Heads of households:	
12	If taxable income is:	The tax is:
13	Not over <del>\$51,850.00</del> <u>\$68,000.00</u>	3.35% of taxable income
14	Over <del>\$51,850.00</del> <u>\$68,000.00</u> but	<del>\$1,737.00</del> <u>\$2,278.00</u> plus 6.6% of the
15	not over <del>\$133,850.00</del> <u>\$175,500.00</u>	amount of taxable income over
16		<del>\$51,850.00</del> <u>\$68,000.00</u>
17	Over <del>\$133,850.00</del> <u>\$175,500.00</u> but	<del>\$7,149.00</del> <u>\$9,373.00</u> plus 7.60% of
18	not over <del>\$216,700.00</del> <u>\$284,150.00</u>	the amount of taxable income over
19		<del>\$133,850.00</del> <u>\$175,500.00</u>

1 Over ~~\$216,700.00~~ \$284,150.00 ~~\$13,446.00~~ \$17,630.00 plus 8.75% of  
2 but not over \$455,300.00 the amount of taxable income over  
3 ~~\$216,700.00~~ \$284,150.00  
4 Over \$455,300.00 but not over \$32,606.00 plus 11.75% of the  
5 \$910,600.00 amount of taxable income over  
6 \$455,300.00  
7 Over \$910,600.00 \$86,103.00 plus 13.75% of the  
8 amount of taxable income over  
9 \$910,600.00

10 (3) Unmarried individuals (other than surviving spouse or head of  
11 household):

12 If taxable income is:	The tax is:
13 Not over <del>\$38,700.00</del> <u>\$50,750.00</u>	3.35% of taxable income
14 Over <del>\$38,700.00</del> <u>\$50,750.00</u> but 15 not over <del>\$93,700.00</del> <u>\$122,850.00</u>	<del>\$1,296.00</del> <u>\$1,700.00</u> plus 6.6% of the 16 <del>\$38,700.00</del> <u>\$50,750.00</u> 17 <u>amount of taxable income over</u>
18 Over <del>\$93,700.00</del> <u>\$122,850.00</u> but 19 not over <del>\$195,450.00</del> <u>\$256,300.00</u>	<del>\$4,926.00</del> <u>\$6,459.00</u> plus 7.6% of the <u>amount of taxable income over</u> <del>\$93,700.00</del> <u>\$122,850.00</u>

1      Over ~~\$195,450.00~~ \$256,300.00 but      ~~\$12,659.00~~ \$16,601.00 plus 8.75% of  
2      not over \$410,650.00                      the amount of taxable income over  
3    ~~\$195,450.00~~ \$256,300.00  
4      Over \$410,650.00 but not over      \$30,108.00 plus 11.75% of the  
5      \$821,350.00                              amount of taxable income over  
6    \$410,650.00  
7      Over \$821,350.00                      \$78,362.00 plus 13.75% of the  
8    amount of taxable income over  
9    \$821,350.00

10                      (4) Married individuals filing separate returns:

11	If taxable income is:	The tax is:
12	Not over <del>\$32,300.00</del> <u>\$42,350.00</u>	3.35% of taxable income
13	Over <del>\$32,300.00</del> <u>\$42,350.00</u> but	<del>\$1,082.00</del> <u>\$1,419.00</u> plus 6.6% of the
14	not over <del>\$78,075.00</del> <u>\$102,375.00</u>	amount of taxable income over
15		<del>\$32,300.00</del> <u>\$42,350.00</u>
16	Over <del>\$78,075.00</del> <u>\$102,375.00</u> but	<del>\$4,103.00</del> <u>\$5,380.00</u> plus 7.6% of the
17	not over <del>\$118,975.00</del> <u>\$156,025.00</u>	amount of taxable income over
18		<del>\$78,075.00</del> <u>\$102,375.00</u>
19	Over <del>\$118,975.00</del> <u>\$156,025.00</u> but	<del>\$7,212.00</del> <u>\$9,458.00</u> plus 8.75% of
20	<u>not over \$250,000.00</u>	the amount of taxable income over
21		<del>\$118,975.00</del> <u>\$156,025.00</u>

1	<u>Over \$250,000.00 but not over</u>	<u>\$17,681.00 plus 11.75% of the</u>
2	<u>\$500,000.00</u>	<u>amount of taxable income over</u>
3		<u>\$250,000.00</u>
4	<u>Over \$500,000.00</u>	<u>\$47,056.00 plus 13.75% of the</u>
5		<u>amount of taxable income over</u>
6		<u>\$500,000.00</u>
7	(5) Estates and trusts:	
8	If taxable income is:	The tax is:
9	<del>\$2,600.00</del> <u>\$3,400.00</u> or less	3.35% of taxable income
10	Over <del>\$2,600.00</del> <u>\$3,400.00</u> but	<del>\$87.00</del> <u>\$114.00</u> plus 6.6% of the
11	not over <del>\$6,100.00</del> <u>\$8,000.00</u>	amount of taxable income over
12		<del>\$2,600.00</del> <u>\$3,400.00</u>
13	Over <del>\$6,100.00</del> <u>\$8,000.00</u> but	<del>\$318.00</del> <u>\$418.00</u> plus 7.6% of the
14	not over <del>\$9,350.00</del> <u>\$12,250.00</u>	amount of taxable income over
15		<del>\$6,100.00</del> <u>\$8,000.00</u>
16	Over <del>\$9,350.00</del> <u>\$12,250.00</u>	<del>\$565.00</del> <u>\$741.00</u> plus 8.75% of the
17		amount of taxable income over
18		<del>\$9,350.00</del> <u>\$12,250.00</u>
19	(6) If the federal adjusted gross income of the taxpayer exceeds	
20	\$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 Second: By striking out Sec. 64, effective dates, in its entirety and inserting  
17 in lieu thereof a new Sec. 64 to read as follows:

18 Sec. 64. EFFECTIVE DATES

19 This act shall take effect on passage except:

1           (1) Notwithstanding 1 V.S.A. § 214, Sec. 1 (credit for taxes paid in  
2           another state by an S corporation) shall take effect retroactively on January 1,  
3           2025, and shall apply to taxable years beginning on and after January 1, 2025.

4           (2) Secs. 3 and 4 (current use; land use change tax) shall take effect on  
5           October 1, 2026.

6           (3) Sec. 20 (grand list definition of parcel) shall take effect on April 1,  
7           2027, and shall apply to grand lists lodged on and after that date.

8           (4) Sec. 22 (Department of Fish and Wildlife rule on fees) shall take  
9           effect on July 1, 2027.

10           (5) Secs. 24–48 (grand list assessment date) shall take effect on July 1,  
11           2031, and shall apply to grand lists lodged after that date.

12           (6) Sec. 56 (Vermont research and development tax credit) shall take  
13           effect on January 1, 2027, and shall apply to taxable years beginning on and  
14           after January 1, 2027.

15           (7) Notwithstanding 1 V.S.A. § 214, Sec. 61a (income tax brackets)  
16           shall take effect retroactively on January 1, 2026, and shall apply to taxable  
17           years beginning on and after January 1, 2026.

18           (8) Notwithstanding 1 V.S.A. § 214, Secs. 55–57 (decoupling from  
19           select provisions of IRC), and Secs. 60 and 61 (annual link-up) shall take effect  
20           retroactively on January 1, 2026, and shall apply to taxable years beginning on  
21           and after January 1, 2025.