

**Federal Net Investment Income Tax Distribution of Payers:**

Adjusted Gross Income	\$100,000 to \$200,000	\$200,000 to \$500,000	\$500,000 to \$1,000,000	\$1,000,000 or more	Total
Estimated Number of NIIT Payers	180	8,820	2,260	970	12,230
Share of Total NIIT Payers	1.5%	72.1%	18.5%	7.9%	100%
Estimated Share of Federal NIIT Paid	0.1%	21.3%	22.4%	56.1%	100%

Source: IRS Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2022

**Vermont Capital Gains Exclusion:**

Individual Income Tax Expenditure	FY22 Amount	FY23 Amount	FY26 Forecast
Capital Gains Exclusion	\$23.66	\$19.71	\$18.30

Taxpayers may reduce taxable income by up to \$5,000 in adjusted net capital gain income or 40% adjusted net capital gain income from the sale of certain business assets held for more than three years.

Source: JFO 2025 Vermont Tax Expenditures Biennial Report

**S.282 Revenue Estimate and others:**

Proposed Policy	Revenue (millions)	Estimated Number of Payers	Note
Expanded Wealth Proceeds Tax with Federal Income Thresholds	\$59.6	12,230	S.282 Proposal as currently drafted
Expanded Wealth Proceeds Tax with \$500K Income Threshold	\$46.8	3,230	
Wealth Proceeds Tax with Federal Income Thresholds	\$48.6	12,230	
Wealth Proceeds Tax with \$500K Income Threshold	\$38.1	3,230	

Source: IRS Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2022, JFO analysis

**Reminders:**

Federal and S.282 income thresholds are:

- Single - \$200,000
- Married Filing Jointly - \$250,000
- Married Filing Separately - \$125,000

Minnesota NIIT parameters are:

- Applies to net investment income exceeding \$1 million
- Tax rate of 1% on income over \$1 million.
- Uses federal definitions of income included.