

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred Senate Bill No. 51  
3 entitled “An act relating to the Vermont unpaid caregiver tax credit”  
4 respectfully reports that it has considered the same and recommends that the  
5 bill be amended by striking out all after the enacting clause and inserting in  
6 lieu thereof the following:

7 Sec. 1. FINDINGS

8 The General Assembly finds:

9 (1) According to the U.S. Department of Labor, women in the United  
10 States 55 years of age and older provide 26.6 million hours of unpaid care to  
11 family and friends daily.

12 (2) According to the AARP:

13 (A) More than 75 percent of family caregivers 50 years of age and  
14 older who retired early because of family caregiving responsibilities would  
15 have remained in the workforce longer if they had access to financial or  
16 nonfinancial supports.

17 (B) If family caregivers aged 50 years of age and older have access to  
18 support in the workplace, U.S. Gross Domestic Product could grow by an  
19 additional \$1.7 trillion (5.5 percent) in 2030.

20 (3) According to a 2023 report by the Urban Institute, entitled “Lifetime  
21 Employment-Related Costs to Women of Providing Family Care,” the

1 employment-related costs for mothers of providing unpaid care to minor  
2 children and parents, parents-in-law, and spouses (including unmarried  
3 partners) with care needs average \$295,000.00 over a lifetime.

4 (4) Using a national survey and six focus groups, the Commonwealth  
5 Fund identified financial compensation for the time spent caregiving as a top  
6 policy priority for family caregivers.

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

8 § 5813. STATUTORY PURPOSES

9 \* \* \*

10 (aa) The statutory purpose of the unpaid caregiver tax credit in section  
11 5830g of this title is to provide financial support to Vermonters who spend  
12 significant time providing uncompensated care for a family member.

13 Sec. 3. 32 V.S.A. § 5830g is added to read:

14 § 5830g. VERMONT UNPAID CAREGIVER TAX CREDIT

15 (a) A resident individual or part-year resident individual who provides  
16 uncompensated care shall be entitled to a refundable credit against the tax  
17 imposed by section 5822 of this title for the taxable year. The maximum  
18 allowable credit per taxable year shall be \$1,000.00 for providing 12 months of  
19 uncompensated care. The credit shall be based on the number of months the  
20 individual caregiver spent providing at least 20 hours per week of  
21 uncompensated care for an individual who:

- 1           (1) is related to the caregiver by blood, civil marriage, or adoption;  
2           (2) needs assistance with activities of daily living, home health care, or  
3           assistance remaining safe at home;  
4           (3) has a medically diagnosed disability or health condition; and  
5           (4) does not reside at a residential care home, an assisted living  
6           residence, or nursing home as defined by 33 V.S.A. § 7102, or any other  
7           similar adult care home that is licensed or required to be licensed pursuant to  
8           33 V.S.A. chapter 71.

9           (b) Notwithstanding subsection (a) of this section, the amount of the credit  
10          under this section shall be reduced by \$20.00 for each \$1,000.00, or fraction  
11          thereof, by which the individual's adjusted gross income exceeds \$125,000.00,  
12          irrespective of the individual's filing status. For purposes of this subsection,  
13          spouses filing jointly shall be considered an individual.

14          (c) An individual claiming the credit under this section shall attest that they  
15          met all requirements under this section for the number of months claimed.

16          (d) Upon the Commissioner's request, an individual claiming a credit under  
17          this section shall provide supporting documentation or other information  
18          relating to the individual's qualification for the credit, including a form  
19          prepared by the Commissioner, to be executed by a licensed medical  
20          professional, attesting that the licensed medical professional provides primary  
21          or specialized medical care for the individual receiving uncompensated care

1 and that the individual has a medical diagnosis requiring assistance with  
2 activities of daily living for at least 20 hours per week. The individual  
3 claiming the credit shall have the medical professional execute the form prior  
4 to claiming the credit, shall retain the executed form for a period of at least  
5 three years, and shall provide the form to the Commissioner on request.

6 Sec. 4. EFFECTIVE DATE

7 Notwithstanding 1 V.S.A. § 214, this act shall take effect retroactively on  
8 January 1, 2025 and apply to taxable years beginning on and after January 1,  
9 2025.

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15 (Committee vote: \_\_\_\_\_)

16 \_\_\_\_\_

17 Senator \_\_\_\_\_

18 FOR THE COMMITTEE