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Introduced by Representatives Sibilica of Dover, Connor of Fairfield, Cupoli of
Rutland City, Fagan of Rutland City, Gannon of Wilmington,
Helm of Fair Haven, Juskiewicz of Cambridge, Olsen of
Londonderry, Strong of Albany, Tate of Mendon, Townsend of
South Burlington, and Yantachka of Charlotte

Referred to Committee on

Date:

Subject: Taxation; property tax adjustments; household income; definition

Statement of purpose of bill as introduced: This bill proposes to exempt
disability and pension income for veterans who are permanently and totally
disabled from the calculation of household income for the purpose of
determining income sensitivity property tax adjustments.

An act relating to exempting certain forms of income from the calculation
of household income for veterans who are permanently and totally disabled

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 32 V.S.A. § 6061(5) is amended to read:

(5) “Modified adjusted gross income” means “federal adjusted gross
income”:

1 (A) Before the deduction of any trade or business loss from a sole
2 proprietorship, loss from a partnership, loss from a limited liability company or
3 “subchapter S” corporation, loss from a rental property, or capital loss, except
4 that in the case of a business which sells a business property with respect to
5 which it is required, under the Internal Revenue Code, to report a capital gain,
6 a business loss incurred in the same tax year with respect to the same business
7 may be netted against such capital gain, and except that a business loss from a
8 sole proprietorship may be netted against a business gain from a sole
9 proprietorship, as long as the loss and the gain are incurred in the same tax
10 year with respect to different business.

11 (B) With the addition of the following, to the extent not included in
12 adjusted gross income: alimony, support money other than gifts, gifts received
13 by the household in excess of a total of \$6,500.00 in cash or cash-equivalents,
14 cash public assistance and relief (not including relief granted under this
15 subchapter), ~~cost-of-living~~ cost-of-living allowances paid to federal employees,
16 allowances received by dependents of servicemen and women, the portion of
17 Roth IRA distributions representing investment earnings and not included in
18 adjusted gross income, railroad retirement benefits, payments received under
19 the federal Social Security Act, all benefits under Veterans’ Acts, except for
20 disability and pension income paid by the U.S. Department of Veterans Affairs
21 to veterans who are permanently and totally disabled, federal pension, and

1 annuity benefits not included in adjusted gross income; nontaxable interest
2 received from the ~~state~~ State or federal government or any of its
3 instrumentalities, workers' compensation, the gross amount of "loss of time"
4 insurance, and the amount of capital gains excluded from adjusted gross
5 income, less the net employment and self-employment taxes withheld from or
6 paid by the individual (exclusive of any amounts deducted to arrive at adjusted
7 gross income or deducted on account of excess payment of employment taxes)
8 on account of income included under this section, less any amounts paid as
9 child support money if substantiated by receipts or other evidence that the
10 Commissioner may require.

11 * * *

12 Sec. 2. EFFECTIVE DATE

13 This act shall take effect on January 1, 2018 and apply to claims filed after
14 that date.