

1 H.166

2 Introduced by Representatives Ode of Burlington, Bongartz of Manchester,  
3 Brumsted of Shelburne, Hyman of South Burlington, Lalley of  
4 Shelburne, and Torre of Moretown

5 Referred to Committee on

6 Date:

7 Subject: Taxation; income tax; deduction; medical expenses

8 Statement of purpose of bill as introduced: This bill proposes to eliminate the  
9 limit to the Vermont income tax deduction for medical expenses for entrance  
10 fees or monthly payments made to continuing care retirement communities to  
11 the extent that those fees or payments exceed the deductibility limits for  
12 qualified long-term care insurance premiums.

13 An act relating to the medical expenses deduction

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

15 Sec. 1. 32 V.S.A. § 5811(21)(C) is amended to read:

16 (C) decreased by the following exemptions and deductions:

17 \* \* \*

18 (iv) an amount equal to the itemized deduction for medical  
19 expenses taken at the federal level by the taxpayer, under 26 U.S.C. § 213;

1                   (⊕) minus the amount of the Vermont standard deduction and  
2 Vermont personal exemptions taken by the taxpayer under this subdivision  
3 (C); and

4                   ~~(H) minus any amount deducted at the federal level that is~~  
5 ~~attributable to the payment of an entrance fee or recurring monthly payment~~  
6 ~~made to a continuing care retirement community regulated under 8 V.S.A.~~  
7 ~~chapter 151, which exceeds the deductibility limits for premiums paid during~~  
8 ~~the taxable year on qualified long term care insurance contracts under 26~~  
9 ~~U.S.C. 213(d)(10)(A).~~

10           Sec. 2. EFFECTIVE DATE

11           Notwithstanding 1 V.S.A. § 214, this act shall take effect retroactively on  
12 January 1, 2023 and shall apply to taxable years beginning on and after  
13 January 1, 2023.