

1
2
3
4
5
6
7
8
9

10
11
12
13
14
15
16
17
18
19
20

H.818

Introduced by Representative Howard of Rutland City

Referred to Committee on

Date:

Subject: Taxation; income taxes; surcharge

Statement of purpose of bill as introduced: This bill proposes to add a one percent surcharge to personal income tax filers with more than \$500,000.00 in federally adjusted gross income. The bill then uses that revenue to increase the earned income tax credit available at the State level.

An act relating to a surcharge on income taxes

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

Sec. 1. 32 V.S.A. § 5822(a)(7) is added to read:

(7) If the federal adjusted gross income of the taxpayer exceeds \$500,000.00, then the rate of tax imposed under subdivisions (1)-(6) of this subsection shall be increased by one percent.

Sec. 2. 32 V.S.A. § 5828b is amended to read:

§ 5828b. EARNED INCOME TAX CREDIT

(a) A resident individual or part-year resident individual who is entitled to an earned income tax credit granted under the laws of the United States shall be entitled to a credit against the tax imposed for each year by section 5822 of

1 this title. The credit shall be ~~32~~ 52 percent of the earned income tax credit
2 granted to the individual under the laws of the United States, multiplied by the
3 percentage which the individual's earned income that is earned or received
4 during the period of the individual's residency in this State bears to the
5 individual's total earned income.

6 * * *

7 Sec. 3. EFFECTIVE DATE

8 This act shall take effect on January 1, 2019 and apply to taxable years
9 starting on that date or later.