

1 S.51

2 Introduced by Senators Hardy, Clarkson, Gulick, Harrison, Major, Norris,
3 Vyhovsky, Weeks and White

4 Referred to Committee on

5 Date:

6 Subject: Taxation; income tax; tax credit

7 Statement of purpose of bill as introduced: This bill proposes to create a
8 Vermont unpaid caregiver tax credit to provide financial support to
9 Vermonters who spend significant time providing uncompensated care for a
10 family member.

11 An act relating to the Vermont unpaid caregiver tax credit

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

13 Sec. 1. FINDINGS

14 The General Assembly finds:

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

18 (2) According to the AARP:

19 (A) More than 75 percent of family caregivers 50 years of age and
20 older who retired early because of family caregiving responsibilities would

1 have remained in the workforce longer if they had access to financial or
2 nonfinancial supports.

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

6 (3) According to a 2023 report by the Urban Institute, entitled “Lifetime
7 Employment-Related Costs to Women of Providing Family Care,” the
8 employment-related costs for mothers of providing unpaid care to minor
9 children and parents, parents-in-law, and spouses (including unmarried
10 partners) with care needs average \$295,000.00 over a lifetime.

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

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

15 § 5813. STATUTORY PURPOSES

16 * * *

17 (aa) The statutory purpose of the unpaid caregiver tax credit in section
18 5830g of this title is to provide financial support to Vermonters who spend
19 significant time providing uncompensated care for a family member.

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

2 § 5830g. VERMONT UNPAID CAREGIVER TAX CREDIT

3 (a) A resident individual or part-year resident individual who provides
4 uncompensated care shall be entitled to a refundable credit against the tax
5 imposed by section 5822 of this title for the taxable year. The maximum
6 allowable credit per taxable year shall be \$2,500.00 for providing 12 months of
7 uncompensated care. The credit shall be based on the number of months the
8 individual caregiver spent providing at least 20 hours per week of
9 uncompensated care for an individual who:

10 (1) is related to the caregiver by blood, civil marriage, or adoption;

11 (2) needs assistance with daily activities, home health care, or assistance
12 remaining safe at home;

13 (3) has a medically diagnosed disability or health condition; and

14 (4) does not reside at a residential care home, an assisted living
15 residence, or nursing home as defined by 33 V.S.A. § 7102, or any other
16 similar adult care home that is licensed or required to be licensed pursuant to
17 33 V.S.A. chapter 71.

18 (b) Notwithstanding subsection (a) of this section, the amount of the credit
19 under this section shall be reduced by \$50.00 for each \$1,000.00, or fraction
20 thereof, by which the individual's adjusted gross income exceeds \$125,000.00,

1 irrespective of the individual's filing status. For purposes of this subsection,
2 spouses filing jointly shall be considered an individual.

3 (c) An individual claiming the credit under this section shall attest that they
4 met all requirements under this section for the number of months claimed.
5 Upon the Commissioner's request, an individual claiming a credit under this
6 section shall provide supporting documentation or other information relating to
7 the individual's qualification for the credit.

8 Sec. 4. EFFECTIVE DATE

9 Notwithstanding 1 V.S.A. § 214, this act shall take effect retroactively on
10 January 1, 2025 and apply to taxable years beginning on and after January 1,
11 2025.