

1 H.66

2 Introduced by Representatives Olsen of Londonderry, Conquest of Newbury,
3 Jewett of Ripton, Komline of Dorset, Krowinski of Burlington,
4 Manwaring of Wilmington, Miller of Shaftsbury, Parent of St.
5 Albans City, Pearson of Burlington, Pugh of South Burlington,
6 Ram of Burlington, Sabilia of Dover, Trieber of Rockingham,
7 and Young of Glover

8 Referred to Committee on

9 Date:

10 Subject: Taxation; income taxes; credits; higher education investment credit

11 Statement of purpose of bill as introduced: This bill proposes to extend the
12 deadline for contributions that would qualify for the State income tax credit
13 associated with the higher education investment tax credit. The deadline for
14 contributions would be extended from December 31 of a given year until
15 April 15 of the following year. This bill also proposes to create a checkoff box
16 on the Vermont individual income tax return to allow people to create or
17 contribute to a Vermont higher education investment plan account.

18 An act relating to extending the deadline for qualifying contributions to
19 Vermont's 529 plan and creating an income tax return checkoff to permit
20 contributions to Vermont's 529 plan

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

1 Sec. 1. 32 V.S.A. § 5825a(a) is amended to read:

2 (a) A taxpayer of this State, including each spouse filing a joint return,
3 shall be eligible for a nonrefundable credit against the tax imposed under
4 section 5822 of this title of 10 percent of the first \$2,500.00 per beneficiary,
5 contributed by the taxpayer ~~during the taxable year~~ to a Vermont higher
6 education investment plan account under 16 V.S.A. chapter 87, subchapter 7.
7 A qualifying contribution may be made during the taxable year the credit is
8 taken, or until April 15 of the following taxable year. For contributions made
9 during the period between January 1 and April 15, the taxpayer shall elect
10 which taxable year the contribution is made.

11 Sec. 2. 32 V.S.A. § 5862g is added to read:

12 § 5862g. VERMONT 529 PLAN CHECKOFF

13 (a) Returns filed by individuals shall include, on a form prescribed by the
14 Commissioner of Taxes, an opportunity for the taxpayer to designate funds to
15 create or contribute to a Vermont higher education investment plan account
16 under 16 V.S.A. chapter 87, subchapter 7.

17 (b) Amounts so designated shall be deducted from refunds due to, or
18 overpayments made by, the designating taxpayers. If at any time after the
19 payment of amounts so designated to the account it is determined that the
20 taxpayer was not entitled to all or any part of the amount so designated, the
21 Commissioner may assess, and the account shall then pay to the

1 Commissioner, the amount received, together with interest at the rate
2 prescribed by section 3108 of this title, from the date the payment was made
3 until the date of repayment.

4 (c) The Commissioner of Taxes shall explain to taxpayers the purposes of
5 the Vermont higher education investment plan and how to contribute to it.

6 (d) If amounts paid with respect to a return are insufficient to cover both
7 the amount owed on the return under this chapter and the amount designated
8 by the taxpayer as a contribution to a Vermont higher education investment
9 plan, the payment shall first be applied to the amount owed on the return under
10 this chapter and the balance, if any, shall be deposited in the account.

11 Sec. 3. EFFECTIVE DATE

12 This act shall take effect on July 1, 2015.