

1 H.348

2 Introduced by Representatives Olsen of Londonderry, Haas of Rochester,
3 Noyes of Wolcott, Parent of St. Albans Town, Scheuermann of
4 Stowe, Sibilia of Dover, Sullivan of Dorset, and Wright of
5 Burlington

6 Referred to Committee on

7 Date:

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

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

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

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

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

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

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

13 § 5862g. VERMONT 529 PLAN CHECKOFF

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

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

1 Commissioner may assess, and the account shall then pay to the
2 Commissioner, the amount received, together with interest at the rate
3 prescribed by section 3108 of this title, from the date the payment was made
4 until the date of repayment.

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

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

12 Sec. 3. EFFECTIVE DATE

13 This act shall take effect on July 1, 2017.