

## **H.510 Committee of Conference Report Section Summary**

### **Sec. 1. Child Tax Credit**

- \$1000 credit per child
- Eligible children: 5 years of age or younger
- Phase-out
  - Threshold begins (for both single and joint filers) at \$125,000 of AGI
  - \$20 per \$1,000 of AGI over the threshold
- Removes short form filing requirement

### **Secs. 2 and 3. Child and Dependent Care Tax Credit**

- Increases credit to 72% of federal CDCC

### **Sec. 4. Earned Income Tax Credit**

- Increases credit to 38% of federal EITC

### **Sec. 5. Student Loan Interest Deduction**

- Creates a deduction for all interest paid on student loans
- For taxpayers whose AGI is: \$120,000 for single filers and \$200,000 for married filers

### **Secs. 6 and 7. Retirement income exclusions**

- Increases income thresholds for Social Security benefits exclusion by \$5,000
- Creates new exclusions for \$10,000 of retirement income from military, CSRS, or other states' noncontributory retirement systems, also subject to the same income thresholds as Social Security benefits.
- Only allows a taxpayer to elect one exclusion per taxable year

### **Sec. 8. Statutory Purposes**

- Updates statutory purposes for tax expenditures

### **Sec. 9. Manufactured Homes Tax Credit**

- Increases amount available for housing tax credit by \$250,000 per year, to be used for manufactured home purchase and replacement.

### **Sec. 10. Appropriation for Aid for the Aged, Blind, and Disabled program**

- Total appropriation of \$750,000 in Global Commitment funds for Aid for the Aged, Blind, and Disabled program, paid to the Secretary's Office of AHS from the following sources:
  - State General Fund: \$330,000
  - Federal funds: \$420,000

### **Sec. 11. Child Care Worker Retention Grant Program**

- \$1,000,000 is appropriated from the General Fund to DCF for the child care worker retention grant program

### **Sec. 12. Mutual Fund Fee**

- Increases annual renewal fee paid by investment companies, from \$1,500 to \$1,650

**Sec. 13. Effective Dates**

- Secs. 1–8 (income tax credits, deduction and exclusions) take effect retroactively on January 1, 2022 and apply to taxable years beginning on and after January 1, 2022.
- Secs. 9–12 (affordable housing tax credit, appropriations, and fees) take effect on July 1, 2022.

**Title change:** after passage the title of the bill will be amended to read: “An act relating to tax reductions and other aid for Vermonters”