

Increase the thresholds on Vermont's Social Security Exemption by \$30,000

§ 5830e. SOCIAL SECURITY INCOME

The portion of federally taxable Social Security benefits excluded from taxable income under subdivision 5811(21)(B)(iv) of this chapter shall be as follows:

(1) For taxpayers whose filing status is single, married filing separately, head of household, or qualifying widow or widower:

(A) If the federal adjusted gross income of the taxpayer is less than or equal to ~~\$45,000.00~~ \$75,000.00, all federally taxable benefits received under the federal Social Security Act shall be excluded.

(B) If the federal adjusted gross income of the taxpayer is greater than ~~\$45,000.00~~ \$75,000.00 but less than ~~\$55,000.00~~ \$85,000.00, the percentage of federally taxable benefits received under the Social Security Act to be excluded shall be proportional to the amount of the taxpayer's federal adjusted gross income over ~~\$45,000.00~~ \$75,000.00, determined by:

(i) subtracting the federal adjusted gross income of the taxpayer from ~~\$55,000.00~~ \$85,000.00;

(ii) dividing the value under subdivision (i) of this subdivision (B) by \$10,000.00; and

(iii) multiplying the value under subdivision (ii) of this subdivision (B) by the federally taxable benefits received under the Social Security Act.

(C) If the federal adjusted gross income of the taxpayer is equal to or greater than ~~\$55,000.00~~ \$85,000.00, no amount of the federally taxable benefits received under the Social Security Act shall be excluded under this section.

(2) For taxpayers whose filing status is married filing jointly:

(A) If the federal adjusted gross income of the taxpayer is less than or

equal to ~~\$60,000.00~~ \$90,000.00, all federally taxable benefits received under the Social Security Act shall be excluded.

(B) If the federal adjusted gross income of the taxpayer is greater than ~~\$60,000.00~~ \$90,000.00 but less than ~~\$70,000.00~~ \$100,000.00, the percentage of federally taxable benefits received under the Social Security Act to be excluded shall be proportional to the amount of the taxpayer's federal adjusted gross income over ~~\$60,000.00~~ \$90,000.00, determined by:

- (i) subtracting the federal adjusted gross income of the taxpayer from ~~\$70,000.00~~ \$100,000.00;
- (ii) dividing the value under subdivision (i) of this subdivision (B) by \$10,000.00; and
- (iii) multiplying the value under subdivision (ii) of this subdivision (B) by the federally taxable benefits received under the Social Security Act.

(C) If the federal adjusted gross income of the taxpayer is equal to or greater than ~~\$70,000.00~~ \$100,000.00, no amount of the federally taxable benefits received under the Social Security Act shall be excluded under this section.