

H.356

Introduced by Representative Klein of East Montpelier

Referred to Committee on

Date:

Subject: Taxation; income tax; returns; checkoff; General Fund

Statement of purpose of bill as introduced: This bill proposes to create a checkoff on the Vermont personal income tax return to give taxpayers an opportunity to designate funds to the General Fund.

An act relating to an income tax checkoff for the General Fund

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

Sec. 1. 32 V.S.A. § 5862g is added to read:

§ 5862g. GENERAL FUND CHECKOFF

(a) Returns filed by individuals shall include, on a form prescribed by the Commissioner of Taxes, an opportunity for the taxpayer to designate funds to the General Fund under section 435 of this title.

(b) Amounts so designated shall be deducted from refunds due to, or overpayments made by, the designating taxpayers. All amounts so designated and deducted shall be deposited in an account by the Commissioner of Taxes for payment to the General Fund. If at any time after the payment of amounts so designated to the account it is determined that the taxpayer was not entitled

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

5 (c) The Commissioner of Taxes shall explain to taxpayers the purposes of
6 the account 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 the General Fund, the payment shall first
10 be applied to the amount owed on the return under this chapter and the balance,
11 if any, shall be deposited in the account.

12 Sec. 2. 32 V.S.A. § 435 is amended to read:

13 § 435. GENERAL FUND

14 (a) There is established a General Fund which shall be the basic operating
15 fund of the State. The General Fund shall be used to finance all expenditures
16 for which no special revenues have otherwise been provided by law.

17 (b) The General Fund shall be composed of revenues from the following
18 sources:

19 * * *

1 (12) All other revenues accruing to the State not otherwise required by
2 law to be deposited in any other designated fund or used for any other
3 designated purpose;

4 (13) Revenue from the income tax checkoff under section 5862f of this
5 title.

6 Sec. 3. EFFECTIVE DATE

7 This act shall take effect on January 1, 2016 and apply to returns filed after
8 that date.