

1 * * * Annual Link to Federal Statutes; Unemployment Compensation * * *

2 Sec. __. 32 V.S.A. § 5824 is amended to read:

3 § 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

4 The statutes of the United States relating to the federal income tax, as in
5 effect on December 31, ~~2019~~ 2020, but without regard to federal income tax
6 rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the
7 tax liability under this chapter.

8 Sec. __. 32 V.S.A. § 7402(8) is amended to read:

9 (8) “Laws of the United States” means the U.S. Internal Revenue Code
10 of 1986, as amended through December 31, ~~2019~~ 2020. As used in this
11 chapter, “Internal Revenue Code” has the same meaning as “laws of the United
12 States” as defined in this subdivision.

13 Sec. __. ARPA EXCLUSION OF UNEMPLOYMENT COMPENSATION
14 FROM GROSS INCOME; TY 2020

15 (a) For taxable year 2020 only, 32 V.S.A. § 5824, adoption of federal
16 income tax laws, shall also adopt 26 U.S.C. § 85(c) as amended by Section
17 9042 of the American Rescue Plan Act, Pub. L. No. 117-2, pursuant to which
18 the first \$10,200.00 of unemployment compensation received is excluded from
19 the gross income of a taxpayer whose taxable year 2020 adjusted gross income
20 is less than \$150,000.00.

21 (b) For taxable year 2020 only, notwithstanding 26 U.S.C. § 85(c) as
22 amended by Section 9042 of the American Rescue Plan Act, Pub. L. No. 117-

1 2, the definition of household income pursuant to 32 V.S.A. § 6061(4)(A)
2 and (5) shall include all unemployment compensation received by a taxpayer in
3 taxable year 2020.

4 * * * Effective Dates * * *

5 Sec. __. EFFECTIVE DATES

6 (a) This act shall take effect on passage, except that, notwithstanding
7 1 V.S.A. § 214, Secs. ~~XX~~~~XX~~ (annual link to federal statutes; unemployment
8 compensation; household income) shall take effect retroactively on January 1,
9 2021. Secs. ~~X~~ and ~~X~~ (32 V.S.A. §§ 5824 and 7402(8), annual link to federal
10 statutes) shall continue in effect until amended, repealed, or replaced by further
11 act of the General Assembly.

12 (b) It is the intent of the General Assembly to adopt the laws of the United
13 States relating to taxation for taxable year 2020 only, and only to the extent
14 that such laws apply to taxable year 2020. Nothing in this act shall be
15 construed as an adoption of the laws of the United States relating to taxation
16 for any future taxable year.