

Sec. 17 of the Administration's Miscellaneous Tax Proposals

State and local income tax deduction

(21) "Taxable income" means federal taxable income determined without regard to 26 U.S.C. § 168(k) and:

(A) Increased by the following items of income (to the extent such income is excluded from federal adjusted gross income):

(i) interest income from non-Vermont state and local obligations;

(ii) dividends or other distributions from any fund to the extent they are attributable to non-Vermont state or local obligations; and

(iii) the amount ~~in excess of \$5,000.00~~ of State and local income taxes deducted from federal adjusted gross income for the taxable year, but in no case in an amount that will reduce total itemized deductions below the standard deduction allowable to the taxpayer; and

EFFECTIVE DATE:

(2) Sec. 17 (state and local tax deduction) shall be effective upon passage and apply to tax years beginning on and after January 1, 2015.