

Committee on Ways and Means Recommendations on FY24 BAA proposals

Sec. #	Proposal	Amount	W&M position
Governor's recommendations			
Sec. 4	<p>2022 Acts and Resolves No. 185, Sec. D.101</p> <p>Reversions to both General Fund and Education Fund balances</p>	<p>Subsec. (b)</p> <p>\$10,511,208 net new General Fund balances available for reappropriation.</p> <p>Subsec. (d)</p> <p>\$45,513,770 net Education Fund balances available for reappropriation</p>	<p>General Fund</p> <p>The Committee suggests using part of the \$10M reversion to fund the Community Action Partnership's Volunteer Income Tax Assistance (VITA) program.</p> <p>The Committee is in conversations with the Department of Taxes and stakeholders regarding ways to improve taxpayer uptake of existing tax incentive programs.</p> <p>Education Fund</p> <p>Generally, according to statute, 16 V.S.A. § 4026, reversions go to the bottom line of the Education Fund to be included in yield setting process.</p> <p>The Committee defers to the Education Committee on the scale of the Education Fund reversions that will be allocated to the Agency of Education.</p>

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Sec. #	Proposal	Amount	W&M position
Sec. 14	<p>2022 Acts and Resolves No. 185, Sec. E.501.1</p> <p>DF&M Explanation: Through a series of legislative actions, all ESSER II and ARP ESSER state set aside funds have been fully allocated. As grant programs, contracts and administrative costs are reconciled, the Agency of Education requires additional flexibility to ensure that all funds can be expended by the end of the funding periods.</p>	Up to the amounts of federal funding that were not spent.	The Committee is in favor of this section.
Sec. 15	<p>2022 Acts and Resolves No. 185, Sec. E.514</p> <p>State Teachers' Retirement System</p> <p>Changes to account for the difference between actuarial adjustments following Act 114 and the estimates used to calculate Act 185 totals.</p>		The Committee finds this section to be in line with actuarial adjustments expected from last session.

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Sec. #	Proposal	Amount	W&M position
Sec. 26	<p>2022 Acts and Resolves No. 183, Sec. 16(b)(1)</p> <p>Appropriation to VHCB for CTE revolving loan fund</p> <p>Notwithstanding language inserted to implement the use of Education Funds for CTE revolving loan fund authorized under Act 183 without repealing the education property tax pursuant to 16 V.S.A. § 4025(d).</p>		<p>The Committee is in favor of the change and remains mindful of the use of notwithstanding clauses with regard to the uses of revenues in the Education Fund.</p>
Sec. 30	<p>2022 Acts and Resolves No. 183, Sec. 54</p> <p>Changing appropriation to Downtown and Village Center Tax Credit program to a temporary base budget increase.</p>		<p>The Committee is in favor of the change, but recommends including additional clarifying language. See draft language below.</p>
W&M proposals (not part of Governor’s recommendations)			
NEW	<p>Amend exemption from tobacco products tax to exempt cannabis and hemp products that do not contain tobacco.</p>		<p>The Committee recommends amending the tobacco products tax exemption. See draft language below.</p>

* * * Downtown and Village Center Tax Credit * * *

Sec. 30. 2022 Acts and Resolves No. 183, Sec. 54 is amended to read:

Sec. 54. ~~APPROPRIATION;~~ DOWNTOWN AND VILLAGE CENTER

TAX CREDIT PROGRAM

~~There is appropriated the sum of \$2,450,000.00 from the General Fund to the Vermont Downtown and Village Center Tax Credit Program to be used in fiscal years 2023 and 2024. Notwithstanding 32 V.S.A. § 5930ee, until the end of fiscal year 2024, up to \$5,450,000.00 the funds shall be used to increase the amount of for Downtown and Village Center Tax Credit Program tax credits, in fiscal year 2023, that may be awarded to on qualified projects. Notwithstanding 32 V.S.A. § 5930ee, any tax credit capacity for this program not used in FY23 shall carry forward. Of those tax credits awarded in fiscal years 2023 and 2024, up to \$2,000,000.00 may be awarded to qualified projects located in designated neighborhood development areas. It is the intent of the General Assembly that this section be a temporary increase to the program for fiscal year 2023 and 2024.~~

* * * Tobacco Products Tax * * *

Sec. . 32 V.S.A. § 7811 is amended to read:

§ 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

* * *

(b) The tax established in this section shall not be imposed on:

(1) cannabis-related supplies sold by a dispensary registered under 18 V.S.A. chapter 86 7 V.S.A. chapter 37 to registered patients and registered caregivers, as those terms are defined in 18 V.S.A. § 4472 7 V.S.A. § 972;

(2) cannabis products, as defined in 7 V.S.A. § 831, that do not contain tobacco; or

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(3) hemp or hemp products, as defined in 6 V.S.A. § 562, that do not contain tobacco.

Sec. []. EFFECTIVE DATE

This act shall take effect on July 1, 2023, except, notwithstanding 1 V.S.A. § 214, Sec. [], 32 V.S.A. § 7811(b)(1) (exemption; cannabis sold by dispensaries), shall take effect retroactively on March 1, 2022.