

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred Senate Bill No. 56
3 entitled “An act relating to child care and early childhood education”
4 respectfully reports that it has considered the same and recommends that the
5 report of the Committee on Health and Welfare be amended as follows:

6 First: By striking out Secs. 14–16, 32 V.S.A. §§ 3802(22), 3800(q), and
7 5401(7), and their reader assistance heading in their entirety and inserting in
8 lieu thereof the following:

9 * * * Repeals; Child Tax Credit * * *

10 Sec. 14. REPEALS; CHILD TAX CREDIT

11 The following are repealed:

12 (1) 32 V.S.A. § 5830f (Vermont child tax credit); and

13 (2) 32 V.S.A. § 5813(y) (statutory purpose; Vermont child tax credit).

14 * * * Child Care and Parental Leave Contribution * * *

15 Sec. 15. 32 V.S.A. chapter 246 is added to read:

16 CHAPTER 246. CHILD CARE AND PARENTAL LEAVE

17 CONTRIBUTION

18 § 10551. PURPOSE

19 The Child Care and Parental Leave Contribution is established to provide
20 funding for State support of child care and the Parental Leave Benefit Program
21 established pursuant to 33 V.S.A. § 2001.

1 § 10552. DEFINITIONS

2 As used in this chapter:

3 (1) “Covered wages” means wages paid to an employee by an employer
4 up to the amount of the Social Security Contribution and Benefit Base.

5 (2) “Employee” means an individual who receives payments with
6 respect to services performed for an employer from which the employer is
7 required to withhold Vermont income tax pursuant to chapter 151, subchapter
8 4 of this title.

9 (3) “Employer” means a person who employs one or more employees
10 who is required to withhold income tax from wages paid to the employees
11 pursuant to chapter 151, subchapter 4 of this title.

12 (4) “Wages” means payments that are included in the definition of
13 wages set forth in 26 U.S.C. § 3401.

14 § 10553. CONTRIBUTION; RATE; COLLECTION

15 (a) Each employer shall pay the Child Care and Parental Leave
16 Contribution on the covered wages paid to each of its employees.

17 (b) An employer shall be responsible for the full amount of the
18 contributions required pursuant to this section on all covered wages paid to the
19 employer’s employees and shall remit those amounts to the Department of
20 Taxes pursuant to the provisions of this section.

1 (c) The contribution rate shall be X.XX percent of each employee’s
2 covered wages.

3 (d)(1) The Commissioner of Taxes shall collect the contributions required
4 pursuant to this section.

5 (2) An employer shall withhold the contributions required pursuant to
6 this section from wages paid to the employer’s employees as if the
7 contributions were Vermont income tax subject to the withholding
8 requirements of chapter 151, subchapter 4 of this title.

9 (3) Payment of the contributions shall be made in the same manner and
10 times set forth for Vermont income tax pursuant to chapter 151, subchapter 4
11 of this title.

12 (e)(1) The administrative and enforcement provisions of chapter 151 of this
13 title shall apply to the contribution and withholding requirements under this
14 section as if the contributions required pursuant to this section were Vermont
15 income tax.

16 (2) Employers shall be responsible for the full amount of any unpaid
17 contributions due pursuant to subsection (a) of this section.

18 Sec. 16. DEPARTMENT OF TAXES; POSITIONS

19 The establishment of the following 15 new permanent classified positions is
20 authorized in the Department of Taxes in fiscal year 2024:

1 (1) eight full-time, classified tax examiners within the Taxpayer

2 Services Division;

3 (2) two full-time, classified tax examiners within the Compliance

4 Division;

5 (3) three full-time, classified tax compliance officers within the

6 Compliance Division;

7 (4) one full-time, classified financial specialist III within the Revenue

8 Accounting and Returns Processing Division; and

9 (5) one business analyst–tax within the VTax Division.

10 Second: In Sec. 73, appropriations, by adding a new subsection (c) to read
11 as follows:

12 (c) In fiscal year 2024, the amount of \$6,504,916.00 is appropriated from
13 the General Fund to the Department of Taxes to be used for the
14 implementation of the Child Care and Parental Leave Contribution pursuant to
15 32 V.S.A. chapter 246 created by this act.

16 Third: In Sec. 74, effective dates, by striking out subdivision (b)(3)
17 (property tax exemption; property used by child care providers) in its entirety
18 and inserting in lieu thereof new subdivisions (b)(3) and (b)(4) to read as
19 follows:

1 (3) Notwithstanding 1 V.S.A. § 214, Sec. 14 (repeals; child tax credit)
2 shall take effect retroactively on January 1, 2023 and shall apply to taxable
3 years beginning on and after January 1, 2023.

4 (4) Sec. 15, 32 V.S.A. chapter 246, (child care and parental leave
5 contribution) shall take effect on July 1, 2024.

6 and by renumbering the remaining subdivisions to be numerically
7 correct.

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13 (Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE