

1 H.879

2 Introduced by Committee on Ways and Means

3 Date:

4 Subject: Taxation; health care contribution; tobacco taxes; e-cigarettes

5 Statement of purpose of bill as introduced: This bill proposes to create a tiered
6 Health Care Fund contribution assessment and to impose an excise tax on
7 e-cigarettes.

8 An act relating to the Health Care Fund contribution assessment and the
9 taxation of e-cigarettes

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

11 Sec. 1. 21 V.S.A. § 2003 is amended to read:

12 § 2003. HEALTH CARE FUND CONTRIBUTION ASSESSMENT

13 (a) The Commissioner of Labor shall assess and an employer shall pay a
14 quarterly Health Care Fund contribution for each full-time equivalent
15 uncovered employee employed during ~~that the preceding quarter in excess of:~~
16 ~~(1) eight full-time equivalent employees in fiscal years 2007 and 2008;~~
17 ~~(2) six full-time equivalent employees in fiscal year 2009; and~~
18 ~~(3) four full-time equivalent employees in fiscal years 2010 and~~
19 thereafter.

1 ~~(b) For the third and fourth quarters of calendar year 2014, the amount of~~
2 ~~the Health Care Fund contribution shall be \$133.30 for each full-time~~
3 ~~equivalent employee in excess of four. For each calendar year after calendar~~
4 ~~year 2014, the amount of the Health Care Fund contribution shall be adjusted~~
5 ~~by a percentage equal to any percentage change in premiums for the second~~
6 ~~lowest cost silver level plan in the Vermont Health Benefit Exchange.~~

7 (1) For payments due in calendar year 2016, the amount of the quarterly
8 Health Care Fund contribution shall be calculated as follows:

9 (A) for employers with at least one but no more than 19 full-time
10 equivalent uncovered employees, the amount of the Health Care Fund
11 contribution shall be \$151.12 for each full-time equivalent uncovered
12 employee in excess of four;

13 (B) for employers with at least 20 but no more than 99 full-time
14 equivalent uncovered employees, the amount of the Health Care Fund
15 contribution shall be \$200.00 for each full-time equivalent uncovered
16 employee; and

17 (C) for employers with 100 or more full-time equivalent uncovered
18 employees, the amount of the Health Care Fund contribution shall be \$244.00
19 for each uncovered full-time equivalent employee.

20 (2) For payments based on the number of full-time equivalent uncovered
21 employees in each calendar year after calendar year 2016, the quarterly Health

1 Care Fund contribution amounts described in subdivision (1) of this subsection
2 shall be adjusted by a percentage equal to any percentage change in premiums
3 for the second lowest cost silver-level plan in the Vermont Health Benefit
4 Exchange.

5 * * *

6 Sec. 2. 32 V.S.A. § 7702(15) is amended to read:

7 (15) “Other tobacco products” means any product manufactured from,
8 derived from, or containing tobacco that is intended for human consumption by
9 smoking, chewing, or in any other manner, including products sold as a
10 tobacco substitute, as defined in 7 V.S.A. § 1001(8), and including any liquids,
11 whether nicotine based or not, or delivery devices sold separately for use with
12 a tobacco substitute; but shall not include cigarettes, little cigars, roll-your-own
13 tobacco, snuff, or new smokeless tobacco as defined in this section.

14 Sec. 3. EFFECTIVE DATES

15 (a) This section and Sec. 2 (e-cigarettes) shall take effect on July 1, 2016.

16 (b) Sec. 1 (health care contribution) shall take effect on July 1, 2016 and
17 shall apply beginning with payments due in the third quarter of calendar year
18 2016.