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H.413

Introduced by Representatives Ode of Burlington, Bock of Chester, Christie of
Hartford, Dunn of Essex, Gannon of Wilmington, Lefebvre of
Newark, McFaun of Barre Town, O’Sullivan of Burlington,
Poirier of Barre City, Potter of Clarendon, Stuart of Brattleboro,
Sullivan of Burlington, Walz of Barre City, Weed of
Enosburgh, and Wright of Burlington

Referred to Committee on

Date:

Subject: Taxation and finance; income tax; subsidized housing weatherization
tax credit

Statement of purpose of bill as introduced: This bill proposes to provide a tax
credit for the weatherization of rental units rented to tenants receiving
assistance through the federal Section 8 Housing Choice Voucher Program or
the Vermont Rental Subsidy Program.

An act relating to a weatherization of subsidized housing tax credit

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

2 Sec. 1. 32 V.S.A. chapter 151, subchapter 110 is added to read:

3 Subchapter 110. Weatherization of Subsidized Housing Tax Credit

4 § 5930qq. WEATHERIZATION OF SUBSIDIZED HOUSING TAX

5 CREDIT

6 (a) As used in this section:

7 (1) “Landlord” means the owner of a qualified rental or the owner’s
8 agent.

9 (2) “Qualified rental” means a building containing four or fewer
10 dwelling units in which more than one-half of the units are rented to tenants
11 receiving assistance through the federal Section 8 Housing Choice Voucher
12 Program or the Vermont Rental Subsidy Program.

13 (3) “Weatherization project” means energy-efficiency retrofits,
14 performed pursuant to an energy assessment, to reduce total residential energy
15 expenditures and improve building health and safety, including insulation, air
16 sealing, heating system upgrades and replacements, ventilation improvements,
17 and related structural and system upgrades and replacements.

18 (b)(1) A tax credit against any tax liability under section 5822 or 5832 of
19 this title is available to a landlord that completes a weatherization project for a
20 qualified rental. The credit shall be available for any tax year in which the

1 landlord completes a weatherization project for a qualified rental and may be
2 carried forward to any of the three subsequent tax years.

3 (2) The credit shall be equal to 50 percent of the landlord's expenditures
4 made to complete the weatherization project including the cost of the related
5 energy assessment.

6 (3) The credit, either alone or in combination with any other credit
7 allowed by this chapter, shall not reduce the income tax liability of the landlord
8 by more than 80 percent.

9 (c)(1) To claim a credit pursuant to this section, a landlord shall:

10 (A) obtain an energy assessment for the qualified rental from a
11 certified energy auditor identified on a list provided by the State Office of
12 Economic Opportunity;

13 (B) complete all necessary work identified pursuant to the energy
14 assessment;

15 (C) submit to the State Office of Economic Opportunity
16 documentation and any additional information requested by the Office that is
17 necessary to demonstrate completion of all necessary work and the cost of the
18 weatherization project for which the credit is claimed; and

19 (D) enter into an agreement with the Secretary of Human Services
20 providing for rent stabilization of the units in the qualified rental and requiring
21 the landlord to continue to rent more than one-half of the units in the qualified

1 rental to tenants receiving assistance through the federal Section 8 Housing
2 Choice Voucher Program or the Vermont Rental Subsidy Program for a period
3 provided pursuant to rules adopted by the Secretary.

4 (2) The Office, upon review and confirmation of the landlord's
5 eligibility for a credit, shall issue a credit certificate to the landlord, who shall
6 file the certificate with the Department of Taxes with its State income tax
7 return for the applicable year.

8 (d) The Secretary of Human Services, in consultation with the Vermont
9 Housing Council, shall adopt rules as necessary to implement this section,
10 including certification requirements for energy auditors, weatherization
11 standards and requirements for qualified rentals, and requirements for rent
12 stabilization agreements with landlords claiming a credit pursuant to this
13 section.

14 (e) The State Office of Economic Opportunity shall report to the House
15 Committees on General, Housing and Military Affairs and on Ways and
16 Means, and the Senate Committees on Economic Development, Housing and
17 General Affairs and on Finance on or before January 15 of each year regarding
18 participation in and the results of the Weatherization of Subsidized Housing
19 Tax Credit program. The report shall include the following information for the
20 prior tax year:

21 (1) the number of landlords that participated in the program;

1 (2) the number of dwelling units for which weatherization projects were
2 performed;

3 (3) an estimate of the average improvement in energy efficiency and
4 reduced energy costs per dwelling unit; and

5 (4) an evaluation of the effectiveness of the tax credit in promoting
6 energy efficiency improvements in subsidized rental housing.

7 Sec. 2. EFFECTIVE DATE

8 This act shall take effect on July 1, 2017.