

1 H.254

2 Introduced by Representatives Scheuermann of Stowe, Ainsworth of Royalton,
3 Branagan of Georgia, Brennan of Colchester, Clark of
4 Vergennes, Clerkin of Hartford, Consejo of Sheldon, Corcoran
5 of Bennington, Dickinson of St. Albans Town, Evans of Essex,
6 Flory of Pittsford, Howrigan of Fairfield, Hube of Londonderry,
7 Hubert of Milton, Komline of Dorset, Krawczyk of Bennington,
8 Larocque of Barnet, Marcotte of Coventry, McNeil of Rutland
9 Town, Morley of Barton, Morrissey of Bennington, Myers of
10 Essex, Potter of Clarendon, Reis of St. Johnsbury, Rodgers of
11 Glover, Smith of Mendon, Turner of Milton, Wilson of
12 Manchester and Zenie of Colchester

13 Referred to Committee on

14 Date:

15 Subject: Economic development; business exemptions; energy-efficiency
16 charge; sales and use tax; credit of the state pledged

17 Statement of purpose: This bill proposes to enact additional programs and
18 policies designed to provide financial assistance and support to Vermont
19 businesses during the current downturn in Vermont's economy.

1 An act relating to the Vermont business reinvestment act

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

3 Sec. 1. FINDINGS AND INTENT

4 The general assembly finds:

5 (1) The current recession has had a devastating impact on Vermont
6 businesses, and even credit-worthy businesses are having trouble accessing
7 conventional financing.

8 (2) Strong economic growth is imperative if Vermont is to resurrect itself
9 and, ultimately, prosper when the economic tides turn.

10 (3) Vermont has a strong history of supporting Vermont businesses through
11 programs such as the Vermont small business loan program.

12 (4) The financial crisis at hand requires Vermont to strengthen its existing
13 programs and establish new policies to help sustain Vermont businesses
14 through these difficult economic times.

15 (5) It is time for Vermonters to give credit where credit is due; namely, to
16 Vermont businesses.

17 Sec. 2. SALES TAX EXEMPTION FOR REGISTERED VERMONT
18 BUSINESSES

19 From July 1, 2009 through June 30, 2011, and only for the first \$20,000.00
20 in annual purchases, a registered Vermont business shall not be subject to the
21 sales and use tax imposed under chapter 233 of Title 32 for items purchased

1 for a business purpose, provided the seller is also a registered Vermont
2 business.

3 Sec. 3. STATE PLEDGE ON BEHALF OF SMALL BUSINESSES

4 An amount not to exceed \$500,000.00 of the full faith and credit of the state
5 pledged for the support of the activities of the Vermont economic development
6 authority under section 223 of Title 10 is authorized to be used by the authority
7 for loss reserves in the Vermont small business loan program.

8 Sec. 4. SUSPENSION OF ENERGY-EFFICIENCY CHARGE FOR
9 QUALIFYING BUSINESSES

10 (a) Qualifying businesses shall be exempt from the energy-efficiency
11 charge established under 30 V.S.A. § 209(d)(3) for a period of two years
12 beginning on July 1, 2009 and ending on June 30, 2011.

13 (b) For purposes of this section, a “qualifying business” means a business
14 registered to do business in Vermont on or before July 1, 2009 and in financial
15 crisis as determined by rules adopted by the Vermont economic development
16 authority (VEDA), established in chapter 12 of Title 10, in consultation with
17 the commissioners of taxes and of labor.

18 (c) A qualifying business shall file a claim for an exemption on the
19 energy-efficiency surcharge with the department of public service pursuant to
20 rules adopted by VEDA in consultation with the public service board.

1 (d) VEDA has the authority to adopt rules under this section pursuant to the
2 emergency rulemaking procedures under section 844 of Title 3.

3 (e) The public service board shall ensure that, as a consequence of the
4 energy-efficiency charge exemption authorized by this section, uncovered
5 ratepayers will not be subject to an increased charge to compensate for the loss
6 of funds.

7 Sec. 5. SALES TAX EXEMPTION FOR BUSINESS FUEL PURCHASES

8 From July 1, 2009 through June 30, 2011, sales of electricity, oil, gas, and
9 other fuels used in a registered Vermont business shall be exempt from the
10 sales and use tax imposed under chapter 233 of Title 32.