

1 H.791

2 Introduced by Committee on Ways and Means

3 Date:

4 Subject: Taxation; tax expenditures; budget

5 Statement of purpose: This bill proposes to provide for the reauthorization,  
6 amendment, or repeal of tax expenditures.

7 An act relating to the tax expenditure budget

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

9 Sec. A1. SHORT TITLE

10 This bill may be referred to as the "Tax Expenditure Budget Bill."

11 Sec. A2. PURPOSE

12 The purpose of this act is to provide for the reauthorization, amendment to,  
13 or repeal of tax expenditures. Tax expenditures are forgone revenue  
14 attributable to various exclusions, exemptions, deductions, credits, deferrals,  
15 and preferential rates in the tax code. Tax expenditures in Vermont account  
16 for approximately \$1 billion in forgone revenue.

17 Sec. A3. RELATIONSHIP TO EXISTING LAWS

18 Except as specifically provided, this act shall not be construed in any way to  
19 negate or impair the full force and effect of any existing law. Sections of this  
20 act beginning with a "B" are informational only, and no part of those sections

1 shall be construed to amend any existing law. Sections of this act beginning  
2 with “C” and sections beginning with “D” (effective date section) are the only  
3 sections of this act that amend existing law. An omission of a tax expenditure  
4 from this act shall not be construed as a repeal, amendment, or other  
5 modification of that tax expenditure.

6 Sec. A4. ORGANIZATION OF ACT

7 This act is organized in the same manner as the tax expenditure report dated  
8 January 15, 2009 that was prepared by the joint fiscal office and the  
9 department of taxes pursuant to 32 V.S.A. § 312 (the “report”). This act is  
10 prepared and offered to satisfy the requirements of 32 V.S.A. § 306(b). Where  
11 appropriate, each section of this act beginning with a “B,” is designated with  
12 the same numbering system used in the report. As with the report, the tax  
13 expenditures listed in this act are categorized by the type of tax that the  
14 exemption, exclusion, credit, or other adjustment is applied against. The first  
15 three alpha-numeric characters of each section number correspond to a tax type  
16 as follows:

17 (1) B1: Individual income tax, further classified as follows:

18 (A) B1.0: Adjustments to federal taxable income.

19 (B) B1.1: Subtractions from Vermont income tax.

20 (C) B1.2: Adjustments to Vermont income tax.

1           (D) B1.3: Vermont-specific tax credits applied after income  
2 adjustment.

3           (E) B1.4: Refundable credits.

4           (2) B2: Corporate income tax, further classified as follows:

5           (A) B2.0: Adjustments to federal taxable income.

6           (B) B2.1: Vermont-specific tax credits.

7           (3) B3: Sales and use tax.

8           (4) B4: Meals and rooms tax, further classified as follows:

9           (A) B4.0: Meals and alcoholic beverages tax.

10          (B) B4.1: Rooms tax.

11          (5) B5: Property tax, further classified as follows:

12          (A) B5.0: Property tax exemptions.

13          (B) B5.1: Adjustments to property values.

14          (6) B6: Bank franchise tax, further classified as follows:

15          (A) B6.0: Exemption from tax on deposits.

16          (B) B6.1: Bank franchise tax credits.

17          (7) B7: Insurance premiums tax, further classified as follows:

18          (A) B7.0: Insurance premiums tax credits.

19          (B) B7.1: Exemptions from the insurance premiums tax.

1       Sec. A5. GLOSSARY OF TERMS

2           The following is a list of terms commonly used in this act and a brief  
3 definition of each:

4           (1) Adjusted Gross Income – Income after certain allowable adjustments  
5 from total (gross) income, such as IRA contributions, alimony paid, and  
6 moving expenses.

7           (2) Carryforward – When an entire credit cannot be used in one tax year  
8 because there is not enough tax liability to offset or for other reasons, the credit  
9 may be eligible to be carried forward to the next one or several succeeding tax  
10 years until the entire credit is used to offset future years' tax liabilities or the  
11 credit expires. Unless the enabling statute explicitly states so, a credit is  
12 generally not eligible for carryforward.

13           (3) Credit – A direct dollar-for-dollar adjustment against a tax liability.  
14 Generally, a credit is nonrefundable, which means it will only reduce a tax  
15 liability to zero. See also Carryforward, Refundable credits, and Transferable  
16 credits.

17           (4) Deduction – An expense of a taxpayer, the cost of which lowers the  
18 taxpayer's adjusted gross income to arrive at taxable income. Examples are  
19 the home mortgage interest deduction, deductions for medical and dental  
20 expenses, and state and local taxes paid.

1           (5) Deferral – A means of delaying the payment of a tax until a later date  
2 in time. Because of the time value of money, a deferral saves a taxpayer  
3 money and accordingly is forgone revenue to the taxing authority.

4           (6) Exclusion – An item that is not included in calculating gross income,  
5 such as certain contributions to retirement accounts, and in Vermont, a certain  
6 amount of capital gains.

7           (7) Refundable credit – While most credits will not reduce tax liability  
8 below zero, the balance of a refundable credit after tax liability is reduced to  
9 zero becomes payable to the taxpayer. The Earned Income Tax Credit (EITC)  
10 is an example of a refundable credit.

11           (8) Total income – Generally, the starting place in calculating income  
12 tax liability. This amount will include all wages, salaries, tips, IRA  
13 distributions and other pension payments, capital gains, gambling winnings,  
14 etc.

15           (9) Transferable credit – A credit is generally available only to offset the  
16 tax liability of the taxpayer who earned the credit. A transferable credit,  
17 however, may be sold, traded, or otherwise transferred by the taxpayer who  
18 earned it to a third party taxpayer.

19       Sec. A6. INFORMATION INCLUDED FOR EACH TAX EXPENDITURE

20           (a) For each tax expenditure listed in this act, the following information  
21 regarding that tax expenditure is set forth as follows:

1           (1) The statutory authority for the tax expenditure.

2           (2) The amount of the tax expenditure defined as either a percentage of  
3 an exclusion, exemption, credit, or other adjustment or as a dollar amount for  
4 the maximum amount of the exclusion, exemption, credit, or other adjustment.

5           (3) The estimated dollar amount for the upcoming fiscal year, if known,  
6 attributable to the tax expenditure.

7           (4) A recommendation on whether to leave the expenditure as it  
8 currently exists in law or to amend or repeal it; and if there is such a  
9 recommendation, the estimated dollar amount for the upcoming fiscal year, if  
10 known, attributable to the amended or repealed tax expenditure.

11          (b) The tax expenditure report includes additional information regarding  
12 each of the tax expenditures listed in this act that was in effect as of  
13 January 15, 2009. The additional information includes the year of enactment,  
14 the estimated number of taxpayers benefiting from the tax expenditure, if  
15 known, and summary tables of each broad tax type.

16          Sec. A.7. RECOMMENDED REPEALS PURSUANT TO 32 V.S.A. § 312(c)

17          32 V.S.A. § 312(c) requires the commissioner of tax to “recommend to the  
18 general assembly that any tax expenditure that has cost less than \$50,000.00 or  
19 had been claimed by fewer than ten taxpayers in each of the three preceding  
20 years be repealed two years hence.” Throughout sections of the bill beginning  
21 with a “B” are notes that an expenditure has been recommended for repeal

1 pursuant to that section and a notation to the section beginning with a “C”  
2 where any repeal or other amendment to the expenditure is made.

3 \* \* \* **Personal Income Taxes** \* \* \*

4 \* \* \* *Adjustments to Federal Taxable Income* \* \* \*

5 **Sec. B1.001. EXCLUSION OF INTEREST INCOME FROM VERMONT**  
6 **STATE AND LOCAL GOVERNMENT OBLIGATIONS**

7 (a) Authority: 32 V.S.A. § 5811(21)(A)(i)

8 (b) Amount currently excluded: 100%

9 (c) FY 2011 estimate: (\$4,800,000)

10 (d) FY 2011 recommendation: No change

11 **Sec. B1.002. EXCLUSION OF CERTAIN CAPITAL GAINS**

12 (a) Authority: 32 V.S.A. § 5811(21)(B)(ii)

13 (b) Amount currently excluded: First \$2,500 of net capital gain income; or  
14 40% aged 70, or from the sale of a farm or timber

15 (c) FY 2011 estimate: (\$6,500,000)

16 (d) FY 2011 recommendation: No change

17 \* \* \* *Subtractions from Vermont Taxable Income* \* \* \*

18 **Sec. B1.101. CREDIT FOR CHILD AND DEPENDENT CARE**  
19 **EXPENSES**

20 (a) Authority: 32 V.S.A. § 5822(d)

21 (b) Amount of current credit: 24% of federal credit

1 (c) FY 2011 estimate: (\$1,800,000)

2 (d) FY 2011 recommendation: No change

3 **Sec. B1.102. CREDIT FOR CARE OF ELDERLY OR DISABLED**

4 **EXPENSES**

5 *Note: Commissioner recommended repeal pursuant to 32 V.S.A. § 312(c).*

6 (a) Authority: 32 V.S.A. § 5822(d)

7 (b) Amount of current credit: 24% of federal credit

8 (c) FY 2011 estimate: (\$3,000)

9 (d) FY 2011 recommendation: No change

10 **Sec. B1.103. CREDIT FOR INVESTMENTS IN BUILDING**

11 **REHABILITATION, ENERGY PROJECTS, ADVANCED**

12 **COAL PROJECTS, GASIFICATION PROJECTS, AND**

13 **BUSINESS SOLAR ENERGY PROJECTS**

14 (a) Authority: 32 V.S.A. § 5822(d)

15 (b) Amount of current credit: 24% of federal credit for Vermont

16 investments

17 (c) FY 2011 estimate: (\$100,000)

18 (d) FY 2011 recommendation: No change



1                   \$2,000 OF MILITARY PAY FOR UNIT TRAINING IF  
2                   THE TAXPAYER'S FEDERAL ADJUSTED GROSS  
3                   INCOME IS LESS THAN \$50,000, AND EXEMPTION OF  
4                   FUNDS RECEIVED THROUGH THE FEDERAL ARMED  
5                   FORCES EDUCATIONAL LOAN REPAYMENT  
6                   PROGRAM PURSUANT TO 10 U.S.C. CHAPTERS 109  
7                   AND 1609

8           (a) Authority: 32 V.S.A. § 5823(a)(2) and (b)(3)

9           (b) Amount currently excluded: 100% of pay earned outside Vermont; first  
10          \$2,000 of pay for unit training within Vermont if federal adjusted gross income  
11          is less than \$50,000; and 100% of funds received through armed forces  
12          educational loan repayment

13          (c) FY 2011 estimate: (\$750,000)

14          (d) FY 2011 recommendation: No change

15          **Sec. B1.203.** EXCLUSION OF AMOUNT REQUIRED TO BE  
16                   INCLUDED AS ADJUSTED GROSS INCOME UNDER  
17                   26 U.S.C. § 280C RELATING TO FEDERAL TAX CREDIT  
18                   INCENTIVE WORK PROGRAMS (FEDERAL  
19                   EMPLOYMENT OPPORTUNITY INCOME  
20                   EXEMPTION)

21          (a) Authority: 32 V.S.A. § 5823(a)(5)

1 (b) Amount currently excluded: 100%

2 (c) FY 2011 estimate: (\$10,000)

3 (d) FY 2011 recommendation: No change

4 **Sec. B1.204.** EXCLUSION OF AMOUNTS PAID BY THE STATE FOR  
5 THE CARE OF A PERSON WITH A DEVELOPMENTAL  
6 DISABILITY

7 *Note: Commissioner recommended repeal pursuant to 32 V.S.A. § 312(c).*

8 (a) Authority: 32 V.S.A. § 5823(a)(6)

9 (b) Amount currently excluded: 100%

10 (c) FY 2011 estimate: (\$5,000)

11 (d) FY 2013 recommendation: Repeal effective January 1, 2012 (See C1)

12 (e) FY 2013 fiscal impact of recommendation: \$5,000

13 **Sec. B1.205.** EXCLUSION OF EXPENSES WHICH ARE REQUIRED  
14 TO BE INCLUDED AS ADJUSTED GROSS INCOME  
15 UNDER 26 U.S.C. § 44 RELATING TO EXPENDITURES  
16 TO PROVIDE ACCESS FOR DISABLED INDIVIDUALS

17 *Note: Commissioner recommended repeal pursuant to 32 V.S.A. § 312(c).*

18 (a) Authority: 32 V.S.A. § 5823(a)(5)

19 (b) Amount currently excluded: 100%

20 (c) FY 2011 estimate: (\$2,000)

21 (d) FY 2011 recommendation: No change







1       **Sec. B1.307.** TAX CREDIT FOR QUALIFIED REHABILITATION  
2                               EXPENDITURES ON AN OLDER OR HISTORIC BUILDING  
3                               LOCATED IN A DOWNTOWN DEVELOPMENT DISTRICT

4       *Note: This credit has been replaced by the Downtown and Village Center Tax*  
5       *Credit Program but remains eligible for carryforward.*

- 6           (a) Authority: 32 V.S.A. § 5930p  
7           (b) Amount of maximum credit: 25% of first \$100,000 in expenditures  
8           (c) FY 2011 estimate: (\$3,000)  
9           (d) FY 2011 recommendation: No change

10       **Sec. B1.308.** TAX CREDIT FOR QUALIFIED EXPENDITURES ON A  
11                               PLATFORM LIFT, ELEVATOR, OR SPRINKLER  
12                               SYSTEM LOCATED IN A DEVELOPMENT DISTRICT

13       *Note: This credit has been replaced by the Downtown and Village Center Tax*  
14       *Credit Program but remains eligible for carryforward.*

- 15           (a) Authority: 32 V.S.A. § 5930q  
16           (b) Amount of maximum credit: 50% of expenditures, up to \$12,000 for  
17       lifts and up to \$25,000 for elevators or sprinkler systems  
18           (c) FY 2011 estimate: (\$40,000)  
19           (d) FY 2011 recommendation: No change

20       **Sec. B1.309.** TAX CREDIT FOR QUALIFIED EXPENDITURES ON  
21                               CAPITAL IMPROVEMENTS TO OR FIXTURES FOR A

1                   COMMERCIAL BUILDING LOCATED IN A DESIGNATED  
2                   VILLAGE CENTER TO COMPLY WITH STATE FIRE, LIFE  
3                   SAFETY, OR ACCESSIBILITY REQUIREMENTS

4                   *Note: This credit has been replaced by the Downtown and Village Center Tax*  
5                   *Credit Program but remains eligible for carryforward.*

6                   (a) Authority: 32 V.S.A. § 5930r

7                   (b) Amount of maximum credit: 50%, up to \$5,000

8                   (c) FY 2011 estimate: (\$2,000)

9                   (d) FY 2011 recommendation: No change

10                  **Sec. B1.311.** TAX CREDIT FOR INCREASED PAYROLL COSTS –  
11                   ECONOMIC ADVANCEMENT TAX INCENTIVE (EATI)

12                  *Note: This credit has been replaced by the Vermont Economic Growth*  
13                  *Incentive Program but remains eligible for carryforward.*

14                  (a) Authority: 32 V.S.A. § 5930c

15                  (b) Amount of maximum credit: 5–10% of increased costs, depending on  
16                  total reported sales.

17                  (c) FY 2011 estimate: (\$100,000)

18                  (d) FY 2011 recommendation: No change

19                  **Sec. B1.312.** TAX CREDIT FOR RESEARCH AND DEVELOPMENT  
20                   EXPENDITURES – EATI

1 *Note: This credit has been replaced by the Vermont Economic Growth*  
2 *Incentive Program but remains eligible for carryforward.*

- 3 (a) Authority: 32 V.S.A. § 5930d  
4 (b) Amount of maximum credit: 10% of expenditures  
5 (c) FY 2011 estimate: (\$251,000)  
6 (d) FY 2011 recommendation: No change

7 **Sec. B1.313. TAX CREDIT FOR CAPITAL INVESTMENT IN OR**  
8 **CAPITAL LEASES OF PLANTS, FACILITIES,**  
9 **MACHINERY AND EQUIPMENT – EATI**

10 *Note: This credit has been replaced by the Vermont Economic Growth*  
11 *Incentive Program but remains eligible for carryforward.*

- 12 (a) Authority: 32 V.S.A. § 5930g  
13 (b) Amount of maximum credit: 5–10% of investment, depending on total  
14 number of employees  
15 (c) FY 2011 estimate: (\$9,000)  
16 (d) FY 2011 recommendation: No change

17 **Sec. B1.314. TAX CREDIT FOR EXPENDITURES FOR QUALIFIED**  
18 **TRAINING, EDUCATION, AND WORKFORCE**  
19 **DEVELOPMENT AND FOR EMPLOYEES PARTICIPATING**  
20 **IN REACH UP OR OTHER ECONOMIC**  
21 **SELF-SUFFICIENCY PROGRAMS – EATI**

1 *Note: This credit has been replaced by the Vermont Economic Growth*  
2 *Incentive Program but remains eligible for carryforward.*

3 (a) Authority: 32 V.S.A. § 5930e

4 (b) Amount of maximum credit: 20% of expenditures, 25% if Reach Up or  
5 other economic self-sufficiency program

6 (c) FY 2011 estimate: (\$0)

7 (d) FY 2011 recommendation: No change

8 **Sec. B1.315. TAX CREDIT FOR BUSINESSES THAT MAKE SALES**

9 OUTSIDE VERMONT; CREDIT EQUAL TO INCOME  
10 TAX AMOUNT CALCULATED BY CURRENT  
11 APPORTIONMENT FORMULA OR ALTERNATIVE  
12 FORMULA THAT DOUBLE-WEIGHTS SALES FACTOR  
13 AND DISREGARDS THROWBACK – EATI

14 *Note: This credit has been replaced by the Vermont Economic Growth*  
15 *Incentive Program but remains eligible for carryforward.*

16 (a) Authority: 32 V.S.A. § 5930f

17 (b) FY 2011 estimate: (\$15,000)

18 (c) FY 2011 recommendation: No change

19 **Sec. B1.316. TAX CREDIT FOR QUALIFYING (HIGH-TECH)**

20 INVESTMENT IN MACHINERY AND EQUIPMENT OR

1                    INVESTMENT IN RENOVATION OF EXISTING  
2                    FACILITIES – EATI

3                    *Note: This credit has been replaced by the Vermont Economic Growth*  
4                    *Incentive Program but remains eligible for carryforward.*

5                    (a) Authority: 32 V.S.A. § 5930k

6                    (b) Amount of maximum credit: 6% of investment, up to \$100,000 for  
7                    machinery and equipment; 6% for renovation

8                    (c) FY 2011 estimate: \$0

9                    (d) FY 2011 recommendation: No change

10                   **Sec. B1.317.** TAX CREDIT FOR QUALIFYING RESEARCH AND  
11                   DEVELOPMENT EXPENDITURES IN SUSTAINABLE  
12                   TECHNOLOGY UNDER 46 U.S.C. § 41(B) – EATI

13                   *Note: This credit has been replaced by the Vermont Economic Growth*  
14                   *Incentive Program but remains eligible for carryforward.*

15                   (a) Authority: 32 V.S.A. § 5930w

16                   (b) Amount of maximum credit: 30% of expenditures

17                   (c) FY 2011 estimate: \$0

18                   (d) FY 2011 recommendation: No change

19                   **Sec. B1.318.** TAX CREDIT FOR SUSTAINABLE TECHNOLOGY SALES  
20                   OUTSIDE VERMONT; CREDIT EQUAL TO INCOME TAX  
21                   AMOUNT CALCULATED BY CURRENT

1 APPORTIONMENT FORMULA OR ALTERNATIVE  
2 FORMULA THAT TRIPLE-WEIGHTS SALES FACTOR  
3 AND DISREGARDS THROWBACK – EATI

4 *Note: This credit has been replaced by the Vermont Economic Growth*  
5 *Incentive Program but remains eligible for carryforward.*

6 (a) Authority: 32 V.S.A. § 5930x

7 (b) FY 2011 estimate: \$0

8 (c) FY 2011 estimate: \$0

9 (d) FY 2011 recommendation: No change

10 **Sec. B1.319.** TAX CREDIT FOR CONTRIBUTIONS TO A VERMONT  
11 HIGHER EDUCATION INVESTMENT PLAN  
12 ACCOUNT UNDER 16 V.S.A. CHAPTER 87

13 (a) Authority: 32 V.S.A. § 5825a

14 (b) Amount of maximum credit: 10% of first \$2,500 contribution per  
15 beneficiary

16 (c) FY 2011 estimate: (\$1,000,000)

17 (d) FY 2011 recommendation: No change

18 **Sec. B1.320.** TAX CREDIT FOR CONTRIBUTIONS TO THE  
19 VERMONT SEED CAPITAL FUND

20 (a) Authority: 32 V.S.A. § 5830b

1 (b) Amount of maximum credit: Lesser of 10% of contribution or 50% of  
2 taxpayer's tax liability

3 (c) FY 2011 estimate: \$0

4 (d) FY 2011 recommendation: No change

5 **Sec. B1.322.** CREDIT FOR QUALIFIED EXPENDITURES ON

6 REHABILITATION OF HISTORIC BUILDINGS UNDER

7 26 U.S.C. § 47(C)

8 (a) Authority: 32 V.S.A. § 5830cc(a)

9 (b) Amount of credit: 10% of expenditures

10 (c) FY 2011 estimate: (\$5,000)

11 (d) FY 2011 recommendation: No change

12 **Sec. B1.323.** CREDIT FOR QUALIFIED EXPENDITURES ON FAÇADE

13 IMPROVEMENTS

14 (a) Authority: 32 V.S.A. § 5830cc(b)

15 (b) Amount of credit: 25% of expenditures, up to \$25,000

16 (c) FY 2011 estimate: (\$3,000)

17 (d) FY 2011 recommendation: No change

18 **Sec. B1.324.** CREDIT FOR QUALIFIED EXPENDITURES FOR

19 INSTALLATION OR IMPROVEMENT OF PLATFORM

20 LIFT, ELEVATOR, SPRINKLER SYSTEM, OR OTHER

21 QUALIFIED CODE IMPROVEMENTS

1 (a) Authority: 32 V.S.A. § 5930cc(c)

2 (b) Amount of credit: 50% of expenditures, up to \$12,000.00 for platform  
3 lift; up to \$50,000 for elevator or sprinkler system; up to \$25,000.00 for other  
4 code improvements

5 (c) FY 2011 estimate: (\$50,000)

6 (d) FY 2011 recommendation: No change

7 **Sec. B1.325. CREDIT FOR ELIGIBLE RESEARCH AND DEVELOPMENT**

8 EXPENDITURES ALLOWABLE UNDER 26 U.S.C. § 41(a)

9 (a) Authority: 32 V.S.A. § 5930ii

10 (b) Amount of credit: 30% of expenditures made within Vermont

11 (c) FY 2011 estimate: (N/A) FY2012 estimate is (\$2,000,000), including

12 Sec. B2.124.

13 (d) FY 2011 recommendation: No change

14 \* \* \* *Refundable Credits* \* \* \*

15 **Sec. B1.401. REFUNDABLE INCOME TAX CREDIT FOR CHILD AND**

16 DEPENDENT CARE EXPENSES FOR LOW-INCOME

17 TAXPAYERS UNDER 26 U.S.C. § 21

18 (a) Authority: 32 V.S.A. § 5828c

19 (b) Amount of credit: 50% of federal credit

20 (c) FY 2011 estimate: (\$75,000.00)

21 (d) FY 2011 recommendation: No change

1       **Sec. B1.402.** EARNED INCOME TAX CREDIT UNDER 26 U.S.C. § 32

2           (a) Authority: 32 V.S.A. § 5828b

3           (b) Amount of credit: 32% of federal credit

4           (c) FY 2011 estimate: (\$26,000,000.00)

5           (d) FY 2011 recommendation: No change

6   **\*\*\* Corporate Taxes \*\*\***

7   *\*\*\* Adjustments to Federal Taxable Income \*\*\**

8       **Sec. B2.001.** EXCLUSION OF INTEREST INCOME FROM VERMONT

9   STATE AND LOCAL GOVERNMENT OBLIGATIONS

10          (a) Authority: 32 V.S.A. § 5811(21)(A)(i)

11          (b) Amount currently excluded: 100%

12          (c) FY 2011 estimate: (data unavailable)

13          (d) FY 2011 recommendation: No change

14   *\*\*\* Vermont-Specific Corporate Tax Credits \*\*\**

15       **Sec. B2.101.** TAX CREDIT FOR DIFFERENCE BETWEEN INTEREST

16   INCOME THAT WOULD HAVE BEEN RECEIVED AT

17   CHARITABLE THRESHOLD RATE AND ACTUAL

18   INTEREST INCOME RECEIVED FROM INVESTMENTS

19   IN CHARITABLE HOUSING

20       *Note: Commissioner recommended repeal pursuant to 32 V.S.A. § 312(c).*

21          (a) Authority: 32 V.S.A. § 5830c

1 (b) FY 2011 estimate: \$0

2 (c) FY 2011 recommendation: No change

3 **Sec. B2.102.** TAX CREDIT FOR ELIGIBLE CASH CONTRIBUTIONS TO  
4 AN AFFORDABLE RENTAL HOUSING PROJECT OF  
5 OWNER-OCCUPIED AFFORDABLE HOUSING UNITS

6 *Note: Commissioner recommended repeal pursuant to 32 V.S.A. § 312(c).*

7 (a) Authority: 32 V.S.A. § 5930u

8 (b) FY 2011 estimate: \$0

9 (c) FY 2011 recommendation: No change

10 **Sec. B2.103.** TAX CREDIT FOR GAIN ON SALE OF MOBILE HOME  
11 PARK

12 *Note: Commissioner recommended repeal pursuant to 32 V.S.A. § 312(c).*

13 (a) Authority: 32 V.S.A. § 5828

14 (b) Amount of maximum credit: 7% of gain that is subject to federal  
15 taxation

16 (c) FY 2011 estimate: \$0

17 (d) FY 2011 recommendation: No change

18 **Sec. B2.107.** TAX CREDIT FOR QUALIFIED REHABILITATION  
19 EXPENDITURES ON A BUILDING LOCATED IN A  
20 DOWNTOWN DEVELOPMENT DISTRICT

1 *Note: This credit has been replaced by the Downtown and Village Center Tax*  
2 *Credit Program but remains eligible for carryforward.*

- 3 (a) Authority: 32 V.S.A. § 5930n  
4 (b) Amount of maximum credit: 10% of expenditures  
5 (c) FY 2011 estimate: \$0  
6 (d) FY 2011 recommendation: No change

7 **Sec. B2.108. TAX CREDIT FOR QUALIFIED REHABILITATION**  
8 EXPENDITURES ON AN OLDER OR HISTORIC  
9 BUILDING LOCATED IN A DOWNTOWN  
10 DEVELOPMENT DISTRICT

11 *Note: This credit has been replaced by the Downtown and Village Center Tax*  
12 *Credit Program but remains eligible for carryforward.*

- 13 (a) Authority: 32 V.S.A. § 5930p  
14 (b) Amount of maximum credit: 25% of first \$100,000 in expenditures  
15 (c) FY 2011 estimate: \$0

16 **Sec. B2.109. TAX CREDIT FOR QUALIFIED EXPENDITURES IN A**  
17 DEVELOPMENT DISTRICT ON A PLATFORM LIFT,  
18 ELEVATOR, OR SPRINKLER SYSTEM

19 *Note: This credit has been replaced by the Downtown and Village Center Tax*  
20 *Credit Program but remains eligible for carryforward.*

- 21 (a) Authority: 32 V.S.A. § 5930q

1 (b) Amount of maximum credit: \$12,000 for lift; \$25,000 for elevator or  
2 sprinkler

3 (c) FY 2011 estimate: \$0

4 (d) FY 2011 recommendation: No change

5 **Sec. B2.110.** TAX CREDIT FOR QUALIFIED EXPENDITURES ON  
6 CAPITAL IMPROVEMENTS TO OR FIXTURES FOR A  
7 COMMERCIAL BUILDING LOCATED IN A DESIGNATED  
8 VILLAGE CENTER TO COMPLY WITH STATE FIRE, LIFE  
9 SAFETY, OR ACCESSIBILITY REQUIREMENTS

10 *Note: This credit has been replaced by the Downtown and Village Center Tax*  
11 *Credit Program but remains eligible for carryforward.*

12 (a) Authority: 32 V.S.A. § 5930r

13 (b) Amount of maximum credit: 50% of expenditures, up to \$5,000

14 (c) FY 2011 estimate: \$0

15 (d) FY 2011 recommendation: No change

16 **Sec. B2.112.** TAX CREDIT FOR INCREASED PAYROLL COSTS –  
17 ECONOMIC ADVANCEMENT TAX INCENTIVE (EATI)

18 *Note: This credit has been replaced by the Vermont Economic Growth*  
19 *Incentive Program but remains eligible for carryforward.*

20 (a) Authority: 32 V.S.A. § 5930c

1 (b) Amount of maximum credit: 5–10% of increased costs, depending on  
2 total reported sales

3 (c) FY 2011 estimate: (\$162,000)

4 (d) FY 2011 recommendation: No change

5 **Sec. B2.113. TAX CREDIT FOR RESEARCH AND DEVELOPMENT**

6 EXPENDITURES – EATI

7 *Note: This credit has been replaced by the Vermont Economic Growth*  
8 *Incentive Program but remains eligible for carryforward.*

9 (a) Authority: 32 V.S.A. § 5930d

10 (b) Amount of maximum credit: 10%

11 (c) FY 2011 estimate: (\$500,000)

12 (d) FY 2011 recommendation: No change

13 **Sec. B2.114. TAX CREDIT FOR CAPITAL INVESTMENT IN OR**

14 CAPITAL LEASES OF PLANTS, FACILITIES,

15 MACHINERY, AND EQUIPMENT – EATI

16 *Note: This credit has been replaced by the Vermont Economic Growth*  
17 *Incentive Program but remains eligible for carryforward.*

18 (a) Authority: 32 V.S.A. § 5930g

19 (b) Amount of maximum credit: 5–10% of investment, depending on total  
20 number of employees

21 (c) FY 2011 estimate: (\$40,000)

1 (d) FY 2011 recommendation: No change

2 **Sec. B2.115.** TAX CREDIT FOR EXPENDITURES FOR QUALIFIED  
3 TRAINING, EDUCATION, AND WORKFORCE  
4 DEVELOPMENT AND FOR EMPLOYEES  
5 PARTICIPATING IN REACH UP OR OTHER  
6 ECONOMIC SELF-SUFFICIENCY PROGRAMS – EATI

7 *Note: This credit has been replaced by the Vermont Economic Growth*  
8 *Incentive Program but remains eligible for carryforward.*

9 (a) Authority: 32 V.S.A. § 5930e

10 (b) Amount of maximum credit: 20%, 25% if participating in Reach Up or  
11 other economic self-sufficiency program.

12 (c) FY 2011 estimate: (\$3,000)

13 (d) FY 2011 recommendation: No change

14 **Sec. B2.116.** TAX CREDIT FOR BUSINESSES THAT MAKE SALES  
15 OUTSIDE VERMONT; CREDIT EQUAL TO INCOME TAX  
16 AMOUNT CALCULATED BY CURRENT  
17 APPORTIONMENT FORMULA OR ALTERNATIVE  
18 FORMULA THAT DOUBLE-WEIGHTS SALES FACTOR  
19 AND DISREGARDS THROWBACK – EATI

20 *Note: This credit has been replaced by the Vermont Economic Growth*  
21 *Incentive Program but remains eligible for carryforward.*

1 (a) Authority: 32 V.S.A. § 5930f

2 (b) FY 2011 estimate: (\$43,000)

3 (c) FY 2011 recommendation: No change

4 **Sec. B2.117. TAX CREDIT FOR QUALIFYING (HIGH-TECH)**

5 INVESTMENT IN MACHINERY AND EQUIPMENT OR

6 RENOVATION OF EXISTING FACILITIES – EATI

7 *Note: This credit has been replaced by the Vermont Economic Growth*  
8 *Incentive Program but remains eligible for carryforward.*

9 (a) Authority: 32 V.S.A. § 5930k

10 (b) Amount of maximum credit: 6% of investment, up to \$100,000 for  
11 machinery and equipment; 6% for renovation

12 (c) FY 2011 estimate: (\$400)

13 (d) FY 2011 recommendation: No change

14 **Sec. B2.118. TAX CREDIT FOR QUALIFYING RESEARCH AND**

15 DEVELOPMENT EXPENDITURES IN SUSTAINABLE

16 TECHNOLOGY UNDER 46 U.S.C. § 41(B) – EATI

17 *Note: This credit has been replaced by the Vermont Economic Growth*  
18 *Incentive Program but remains eligible for carryforward.*

19 (a) Authority: 32 V.S.A. § 5930w

20 (b) Amount of maximum credit: 30% of federal credit

21 (c) FY 2011 estimate: \$0

1 (d) FY 2011 recommendation: No change

2 **Sec. B2.119.** TAX CREDIT FOR BUSINESSES THAT MAKE SALES

3 OUTSIDE VERMONT OF SUSTAINABLE TECHNOLOGY;

4 CREDIT EQUAL TO INCOME TAX AMOUNT

5 CALCULATED BY CURRENT APPORTIONMENT

6 FORMULA OR ALTERNATIVE FORMULA THAT

7 TRIPLE-WEIGHTS SALES FACTOR AND DISREGARDS

8 THROWBACK – EATI

9 *Note: This credit has been replaced by the Vermont Economic Growth*

10 *Incentive Program but remains eligible for carryforward.*

11 (a) Authority: 32 V.S.A. § 5930x

12 (b) FY 2011 estimate: \$0

13 (c) FY 2011 recommendation: No change

14 **Sec. B2.120.** CREDIT FOR WAGES PAID BY AN EMPLOYER FOR

15 SERVICES IN DESIGNATED COUNTIES HAVING AT

16 LEAST 5% OF THEIR COMBINED JOBS PROVIDED BY

17 EMPLOYERS THAT MANUFACTURE FINISHED WOOD

18 PRODUCTS AND HAVING THE HIGHEST COMBINED

19 UNEMPLOYMENT RATE IN THE STATE FOR AT LEAST

20 ONE MONTH IN THE PREVIOUS CALENDAR YEAR

21 (a) Authority: 32 V.S.A. § 5930y

1 (b) Amount of credit: 2% of wages

2 (c) FY 2011 estimate: (\$300,000)

3 (d) FY 2011 recommendation: No change

4 **Sec. B2.121.** TAX CREDIT FOR QUALIFIED EXPENDITURES ON

5 REHABILITATION OF HISTORIC BUILDINGS UNDER 26

6 U.S.C. § 47(C)

7 (a) Authority: 32 V.S.A. § 5930cc(a)

8 (b) Amount of credit: 10% of expenditures

9 (c) FY 2011 estimate: \$0

10 (d) FY 2011 recommendation: No change

11 **Sec. B2.122.** TAX CREDIT FOR QUALIFIED EXPENDITURES ON

12 FAÇADE IMPROVEMENTS

13 (a) Authority: 32 V.S.A. § 5930cc(b)

14 (b) Amount of credit: 25% of expenditures, up to \$25,000

15 (c) FY 2011 estimate: \$0

16 (d) FY 2011 recommendation: No change

17 **Sec. B2.123.** CREDIT FOR QUALIFIED EXPENDITURES FOR

18 INSTALLATION OR IMPROVEMENT OF PLATFORM

19 LIFT, ELEVATOR, SPRINKLER SYSTEM, OR OTHER

20 QUALIFIED CODE IMPROVEMENTS

21 (a) Authority: 32 V.S.A. § 5930cc(c)

1 (b) Amount of credit: 50% of expenditures, up to \$12,000.00 for platform  
2 lift, up to \$25,000.00 for façade improvement or other code improvements, up  
3 to \$50,000 for elevator or sprinkler system

4 (c) FY 2011 estimate: \$0

5 (d) FY 2011 recommendation: No change

6 **Sec. B2.124. CREDIT FOR ELIGIBLE RESEARCH AND DEVELOPMENT**

7 EXPENDITURES ALLOWABLE UNDER 26 U.S.C. § 41(a)

8 (a) Authority: 32 V.S.A. § 5930ii

9 (b) Amount of credit: 30% of the federal credit for Vermont expenditures

10 (c) FY 2011 estimate: (N/A) see B1.325

11 (d) FY 2011 recommendation: No change

12 **Sec. B2.125. PASS-THROUGH OF FEDERAL ENERGY CREDIT FOR**

13 BUSINESS SOLAR ENERGY INVESTMENT UNDER

14 26 U.S.C. § 48

15 (a) Authority: 32 V.S.A. § 5930z

16 (b) Amount of credit: 100% of federal credit for Vermont expenditures

17 (c) FY 2011 estimate: (See B1.103a)

18 (d) FY 2011 recommendation: No change



1 (c) FY 2011 recommended exemption: No change

2 **Sec. B3.006.** EXEMPTION FOR RENTS FOR ROOMS TAXED

3 PURSUANT TO CHAPTER 225 OF TITLE 32

4 (a) Authority: 32 V.S.A. § 9741(9)

5 (b) FY 2011 estimate: (\$20,700,000)

6 (c) FY 2011 recommended exemption: No change

7 **Sec. B3.007.** EXEMPTION FOR MEALS TAXED PURSUANT TO

8 CHAPTER 225 OF TITLE 32

9 (a) Authority: 32 V.S.A. § 9741(10)

10 (b) FY 2011 estimate: (\$46,700,000)

11 (c) FY 2011 recommended exemption: No change

12 **Sec. B3.008.** EXEMPTION FOR SALES AND USE OF MOTOR

13 VEHICLES TAXED PURSUANT TO CHAPTER 219 OF

14 TITLE 32

15 (a) Authority: 32 V.S.A. § 9741(12)

16 (b) FY 2011 estimate: (\$106,400,000)

17 (c) FY 2011 recommended exemption: No change

18 **Sec. B3.009.** EXEMPTION FOR SALES OF FOOD

19 (a) Authority: 32 V.S.A. § 9741(13)

20 (b) FY 2011 estimate: (\$78,900,000)

21 (c) FY 2011 recommended exemption: No change



1 (c) FY 2011 recommended exemption: No change

2 **Sec. B3.014.** EXEMPTION FOR FEDERAL, STATE, AND MUNICIPAL

3 FEES PAID FOR ADMISSION TO RECREATION AREAS

4 AND FACILITIES, INCLUDING SWIMMING POOLS

5 (a) Authority: 32 V.S.A. § 9741(18)

6 (b) FY 2011 estimate: (<\$100,000)

7 (c) FY 2011 recommended exemption: No change

8 **Sec. B3.015.** EXEMPTION FOR RENTALS OF COIN-OPERATED

9 WASHING MACHINES FOR PERSONAL USE,

10 INCLUDING LAUNDRY MACHINES AND CAR WASHES

11 (a) Authority: 32 V.S.A. § 9741(19)

12 (b) FY 2011 estimate: (\$1,200,000)

13 (c) FY 2011 recommended exemption: No change

14 **Sec. B3.016.** EXEMPTION FOR ADMISSIONS TO NONPROFIT

15 MUSEUMS

16 (a) Authority: 32 V.S.A. § 9741(20)

17 (b) FY 2011 estimate: (\$1,200,000)

18 (c) FY 2011 recommended exemption: No change

19 **Sec. B3.017.** EXEMPTION FOR PURCHASES OF EQUIPMENT,

20 SUPPLIES, AND BUILDING MATERIALS BY

1 VOLUNTEER FIRE DEPARTMENTS, AMBULANCE  
2 COMPANIES, AND RESCUE SQUADS

3 (a) Authority: 32 V.S.A. § 9741(21)

4 (b) FY 2011 estimate: (data unavailable)

5 (c) FY 2011 recommended exemption: No change

6 **Sec. B3.018.** EXEMPTION FOR FUNERAL CHARGES

7 (a) Authority: 32 V.S.A. § 9741(22)

8 (b) FY 2011 estimate: (\$1,600,000)

9 (c) FY 2011 recommended exemption: No change

10 **Sec. B3.019.** EXEMPTION FOR PURCHASES OF PROPERTY USED

11 IN COMMERCIAL, INDUSTRIAL, OR AGRICULTURAL  
12 RESEARCH

13 (a) Authority: 32 V.S.A. § 9741(24)

14 (b) FY 2011 estimate: (data unavailable)

15 (c) FY 2011 recommended exemption: No change

16 **Sec. B3.020.** EXEMPTION FOR PURCHASES OF AGRICULTURAL

17 MACHINERY AND EQUIPMENT

18 (a) Authority: 32 V.S.A. § 9741(25)

19 (b) FY 2011 estimate: (\$1,300,000)

20 (c) FY 2011 recommended exemption: No change

1       **Sec. B3.021.** EXEMPTION FOR PURCHASES OF ELECTRICITY,

2                               OIL, GAS, AND OTHER FUELS FOR RESIDENTIAL USE

3           (a) Authority: 32 V.S.A. § 9741(26)

4           (b) FY 2011 estimate: (\$54,000,000)

5           (c) FY 2011 recommended exemption: No change

6       **Sec. B3.022.** EXEMPTION FOR PURCHASES OF ELECTRICITY,

7                               OIL, GAS, AND OTHER FUELS FOR FARM USE

8           (a) Authority: 32 V.S.A. § 9741(27)

9           (b) FY 2011 estimate: (\$3,400,000)

10          (c) FY 2011 recommended exemption: No change

11       **Sec. B3.023.** EXEMPTION FOR FILMS WHERE THE FILM IS

12                              ACQUIRED FOR THE SOLE PURPOSE OF CHARGING

13                              ADMISSION AND WHERE THE ADMISSION IS

14                              TAXABLE UNDER 32 V.S.A. § 9771(4)

15          (a) Authority: 32 V.S.A. § 9741(28)

16          (b) FY 2011 estimate: data unavailable

17          (c) FY 2011 recommended exemption: No change

18       **Sec. B3.024.** EXEMPTION FOR AIRCRAFT AND DEPRECIABLE

19                              AIRCRAFT PARTS

20          (a) Authority: 32 V.S.A. § 9741(29)

21          (b) FY 2011 estimate: (\$300,000)

1 (c) FY 2011 recommended exemption: No change

2 **Sec. B3.025.** EXEMPTION FOR RAILROAD ROLLING STOCK AND  
3 DEPRECIABLE RAILROAD ROLLING STOCK PARTS

4 (a) Authority: 32 V.S.A. § 9741(30)

5 (b) FY 2011 estimate: (<\$100,000)

6 (c) FY 2011 recommended exemption: No change

7 **Sec. B3.026.** EXEMPTION FOR FERRY BOATS AND DEPRECIABLE  
8 FERRY BOAT PARTS

9 (a) Authority: 32 V.S.A. § 9741(31)

10 (b) FY 2011 estimate: data unavailable

11 (c) FY 2011 recommended exemption: No change

12 **Sec. B3.027.** EXEMPTION FOR 40% OF RECEIPTS FROM  
13 PURCHASES OF MOBILE HOMES AND MODULAR  
14 HOMES WHEN SOLD AS TANGIBLE PERSONAL  
15 PROPERTY

16 (a) Authority: 32 V.S.A. § 9741(32)

17 (b) FY 2011 estimate: data unavailable

18 (c) FY 2011 recommended exemption: No change

19 **Sec. B3.028.** EXEMPTION FOR U.S. FLAGS SOLD TO OR BY  
20 EXEMPT VETERANS' ORGANIZATIONS

21 (a) Authority: 32 V.S.A. § 9741(33)

1 (b) FY 2011 estimate: data unavailable

2 (c) FY 2011 recommended exemption: No change

3 **Sec. B3.029.** EXEMPTION FOR PURCHASES OF ELECTRICITY,  
4 OIL, GAS, AND OTHER FUELS USED IN  
5 MANUFACTURING TANGIBLE PERSONAL  
6 PROPERTY FOR SALE

7 (a) Authority: 32 V.S.A. § 9741(34)

8 (b) FY 2011 estimate: (\$19,600,000)

9 (c) FY 2011 recommended exemption: No change

10 **Sec. B3.030.** EXEMPTION FOR PROPERTY TRANSFERRED AS  
11 PART OF A PERSONAL SERVICES TRANSACTION OR  
12 A TRANSFER OF INTANGIBLE PROPERTY RIGHTS

13 (a) Authority: 32 V.S.A. § 9741(35)

14 (b) FY 2011 estimate: data unavailable

15 (c) FY 2011 recommended exemption: No change

16 **Sec. B3.031.** EXEMPTION FOR ADVERTISING MATERIALS  
17 TRANSFERRED IN CONJUNCTION WITH  
18 ADVERTISING SERVICES

19 (a) Authority: 32 V.S.A. § 9741(36)

20 (b) FY 2011 estimate: data unavailable

21 (c) FY 2011 recommended exemption: No change



1 (b) FY 2011 estimate: (<\$100,000)

2 (c) FY 2011 recommended exemption: No change

3 **Sec. B3.035.** EXEMPTION FOR WHOLESALE TRANSACTIONS  
4 BETWEEN TELECOMMUNICATIONS SERVICES  
5 PROVIDERS

6 (a) Authority: 32 V.S.A. § 9741(41)

7 (b) FY 2011 estimate: data unavailable

8 (c) FY 2011 recommended exemption: No change

9 **Sec. B3.036.** EXEMPTION FOR PURCHASES OF SCRAP  
10 CONSTRUCTION MATERIALS BY A THIRD PARTY

11 (a) Authority: 32 V.S.A. § 9741(43)

12 (b) FY 2011 estimate: data unavailable

13 (c) FY 2011 recommended exemption: No change

14 **Sec. B3.037.** EXEMPTION FOR TANGIBLE PERSONAL PROPERTY  
15 TO BE INCORPORATED INTO A RAIL LINE

16 (a) Authority: 32 V.S.A. § 9741(44)

17 (b) FY 2011 estimate: data unavailable

18 (c) FY 2011 recommended exemption: No change

19 **Sec. B3.038.** EXEMPTION FOR PURCHASES OF CLOTHING AND  
20 FOOTWEAR

21 (a) Authority: 32 V.S.A. § 9741(45)

1 (b) FY 2011 estimate: (\$22,700,000.00)

2 (c) FY 2011 recommended exemption: No change

3 **Sec. B3.039.** EXEMPTION FOR TANGIBLE PERSONAL PROPERTY

4 TO BE INCORPORATED INTO A NET METERING  
5 SYSTEM, A HOME OR BUSINESS ENERGY SYSTEM  
6 NOT CONNECTED TO THE UTILITY GRID, OR A  
7 SOLAR HOT WATER HEATING SYSTEM

8 (a) Authority: 32 V.S.A. § 9741(46)

9 (b) FY 2011 estimate: data unavailable

10 (c) FY 2011 recommended exemption: No change

11 \* \* \* *Organizations Not Covered* \* \* \*

12 **Sec. B3.041.** EXEMPTION FOR SALES BY ORGANIZATIONS

13 EXEMPT FROM TAXATION UNDER 26 U.S.C.  
14 § 501(C)(3) TO THE EXTENT SALES IN THE PREVIOUS  
15 YEAR DID NOT EXCEED \$20,000 AND FOR SALES BY  
16 ORGANIZATIONS EXEMPT FROM TAXATION UNDER  
17 26 U.S.C. § 501(C)(5) WHEN THE ORGANIZATION IS  
18 PRESENTING AN AGRICULTURAL FAIR

19 (a) Authority: 32 V.S.A. § 9743(3)

20 (b) FY 2011 estimate: data unavailable

21 (c) FY 2011 recommended exemption: No change

1       **Sec. B3.042.** EXEMPTION FOR SALES OF BUILDING MATERIALS  
2                                   AND SUPPLIES USED IN CONSTRUCTION AND  
3                                   REPAIR OF BUILDING BY GOVERNMENTAL BODIES,  
4                                   ORGANIZATIONS EXEMPT FROM TAXATION UNDER  
5                                   26 U.S.C. § 501(C)(3), AND DEVELOPMENT  
6                                   CORPORATIONS

- 7           (a) Authority: 32 V.S.A. § 9743(4)  
8           (b) FY 2011 estimate: data unavailable  
9           (c) FY 2011 recommended exemption: No change

10       **Sec. B3.043.** EXEMPTION FOR SALES BY ORGANIZATIONS EXEMPT  
11                                   FROM TAXATION UNDER 26 U.S.C. § 501(C)(4)–(13) AND  
12                                   (19) AND 26 U.S.C. § 527 FOR AMUSEMENT CHARGES  
13                                   FOR UP TO FOUR EVENTS EACH YEAR

- 14           (a) Authority: 32 V.S.A. § 9743(5)  
15           (b) FY 2011 estimate: data unavailable  
16           (c) FY 2011 recommended exemption: No change

17       **Sec. B3.044.** EXEMPTION FOR TAX GREATER THAN \$10,000 IN  
18                                   ONE CALENDAR YEAR ON PURCHASE OF  
19                                   TELECOMMUNICATIONS SERVICES

- 20           (a) Authority: 32 V.S.A. § 9771a  
21           (b) FY 2011 estimate: (<\$100,000)

1 (c) FY 2011 recommended exemption: No change

2 **Sec. B3.045.** REALLOCATION OF RECEIPTS FROM TAX IMPOSED ON  
3 SALES OF CONSTRUCTION MATERIALS

4 (a) Authority: 32 V.S.A. § 9819

5 (b) FY 2011 estimate: (<\$100,000)

6 (c) FY 2011 recommended exemption: No change

7 \* \* \* **Meals, Rooms, and Alcoholic Beverages Taxes** \* \* \*

8 **Sec. B4.001.** EXEMPTION FOR UNPREPARED GROCERY ITEMS

9 (a) Authority: 32 V.S.A. § 9202(10)(B)

10 (b) FY 2011 estimate: (\$108,200,000)

11 (c) FY 2011 recommended exemption: No change

12 **Sec. B4.002.** EXEMPTION FOR GROCERY-TYPE ITEMS FOR  
13 TAKE-OUT

14 (a) Authority: 32 V.S.A. § 9202(10)(D)(10)(i)

15 (b) FY 2011 estimate: (\$4,800,000)

16 (c) FY 2011 recommended exemption: No change

17 **Sec. B4.003.** EXEMPTION FOR MEALS SERVED ON THE PREMISES  
18 OF A NONPROFIT ORGANIZATION

19 (a) Authority: 32 V.S.A. § 9202(10)(D)(ii)(I)

20 (b) FY 2011 estimate: data unavailable

21 (c) FY 2011 recommended exemption: No change



1 (c) FY 2011 recommended exemption: No change

2 **Sec. B4.008.** EXEMPTION FOR MEALS SERVED TO CHILDREN AT  
3 A SUMMER CAMP

4 (a) Authority: 32 V.S.A. § 9202(10)(D)(ii)(VI)

5 (b) FY 2011 estimate: (<\$100,000)

6 (c) FY 2011 recommended exemption: No change

7 **Sec. B4.009.** EXEMPTION FOR MEALS SOLD BY NONPROFIT  
8 ORGANIZATIONS AT FAIRS, BAZAARS, PICNICS,  
9 AND SIMILAR EVENTS (LIMIT OF FOUR DAYS PER  
10 YEAR)

11 (a) Authority: 32 V.S.A. § 9202(10)(D)(ii)(VII)

12 (b) FY 2011 estimate: data unavailable

13 (c) FY 2011 recommended exemption: No change

14 **Sec. B4.010.** EXEMPTION FOR MEALS FURNISHED TO AN  
15 EMPLOYEE OF A HOTEL OR RESTAURANT  
16 OPERATOR AS REMUNERATION FOR EMPLOYMENT

17 (a) Authority: 32 V.S.A. § 9202(10)(D)(ii)(VIII)

18 (b) FY 2011 estimate: data unavailable

19 (c) FY 2011 recommended exemption: No change



1 (c) FY 2011 recommended exemption: No change

2 **Sec. B4.102.** EXEMPTION FOR ROOMS RENTED IN CONNECTION

3 WITH ATTENDANCE AT A SCHOOL

4 (a) Authority: 32 V.S.A. § 9202(8)

5 (b) FY 2011 estimate: data unavailable

6 (c) FY 2011 recommended exemption: No change

7 **Sec. B4.103.** EXEMPTION FOR ROOMS RENTED FOR 30 OR MORE

8 CONSECUTIVE DAYS

9 (a) Authority: 32 V.S.A. § 9202(6) and (7)

10 (b) FY 2011 estimate: data unavailable

11 (c) FY 2011 recommended exemption: No change

12 **Sec. B4.104.** EXEMPTION FOR ROOMS FURNISHED TO AN

13 EMPLOYEE OF A HOTEL OR RESTAURANT OPERATOR

14 AS REMUNERATION FOR EMPLOYMENT

15 (a) Authority: 32 V.S.A. § 9202(6)

16 (b) FY 2011 estimate: data unavailable

17 (c) FY 2011 recommended exemption: No change

18 **Sec. B4.105.** EXEMPTION FOR ROOMS FURNISHED TO CHILDREN BY

19 A SUMMER CAMP

20 (a) Authority: 32 V.S.A. § 9202(6)

21 (b) FY 2011 estimate: (\$200,000)

1 (c) FY 2011 recommended exemption: No change

2 **Sec. B4.106.** EXEMPTION FOR ROOMS FURNISHED BY A HOSPITAL,

3 SANATORIUM, CONVALESCENT HOME, NURSING

4 HOME, OR HOME FOR THE AGED

5 (a) Authority: 32 V.S.A. § 9202(3)(A)

6 (b) FY 2011 estimate: data unavailable

7 (c) FY 2011 recommended exemption: No change

8 **Sec. B4.107.** EXEMPTION FOR ROOMS OPERATED BY A FEDERAL

9 OR STATE ORGANIZATION, EXCEPT THE VERMONT

10 DEPARTMENT OF FORESTS, PARKS AND RECREATION

11 (a) Authority: 32 V.S.A. § 9202(3)(B)

12 (b) FY 2011 estimate: data unavailable

13 (c) FY 2011 recommended exemption: No change

14 **Sec. B4.108.** EXEMPTION FOR ROOMS IN AN ESTABLISHMENT

15 OPERATED BY A NONPROFIT

16 (a) Authority: 32 V.S.A. § 9202(3)(C)

17 (b) FY 2011 estimate: data unavailable

18 (c) FY 2011 recommended exemption: No change

19 **Sec. B4.109.** EXEMPTION FOR ROOMS FURNISHED BY A

20 CONTINUING CARE RETIREMENT COMMUNITY UNDER

21 8 V.S.A. CHAPTER 15

1 (a) Authority: 32 V.S.A. § 9202(3)(D)

2 (b) FY 2011 estimate: data unavailable

3 (c) FY 2011 recommended exemption: No change

4 \* \* \* **Property Taxes** \* \* \*

5 \* \* \* *Exemptions from Property Tax* \* \* \*

6 **Sec. B5.001. EXEMPTION FOR LOCAL DEVELOPMENT**

7 **CORPORATIONS**

8 (a) Authority: 10 V.S.A. § 236

9 (b) FY 2011 estimate: (\$93,000)

10 (c) FY 2011 recommended exemption: No change

11 **Sec. B5.002. EXEMPTION FOR VERMONT STATE COLLEGES**

12 (a) Authority: 16 V.S.A. § 2178

13 (b) FY 2011 estimate: (\$898,000)

14 (c) FY 2011 recommended exemption: No change

15 **Sec. B5.003. EXEMPTION FOR THE UNIVERSITY OF VERMONT**

16 (a) Authority: 16A V.S.A. § 1-15

17 (b) FY 2011 estimate: (\$7,860,000)

18 (c) FY 2011 recommended exemption: No change

19 **Sec. B5.004. EXEMPTION FOR FREE PUBLIC LIBRARIES**

20 (a) Authority: 22 V.S.A. § 109

21 (b) FY 2011 estimate: (\$840,000)

1 (c) FY 2011 recommended exemption: No change

2 **Sec. B5.005.** EXEMPTION FOR HOUSING AUTHORITIES

3 (a) Authority: 24 V.S.A. § 4020

4 (b) FY 2011 estimate: (\$1,100,000)

5 (c) FY 2011 recommended exemption: No change

6 **Sec. B5.006.** EXEMPTION FOR FEDERAL AND STATE

7 PROPERTY, INCLUDING AGENCY OF NATURAL

8 RESOURCES LAND AND STATE-OWNED BUILDINGS

9 FOR WHICH PAYMENTS IN LIEU OF TAXES ARE

10 MADE

11 (a) Authority: 32 V.S.A. § 3802(1)

12 (b) FY 2011 estimate: (\$14,900,000)

13 (c) FY 2011 recommended exemption: No change

14 **Sec. B5.007.** EXEMPTION FOR CONGRESSIONALLY CHARTERED

15 ORGANIZATIONS, INCLUDING VETERANS'

16 ORGANIZATIONS, THE AMERICAN RED CROSS, AND

17 THE BOY SCOUTS OF AMERICA

18 (a) Authority: 32 V.S.A. § 3802(2)

19 (b) FY 2011 estimate: (\$450,000)

20 (c) FY 2011 recommended exemption: No change





1 (a) Authority: 32 V.S.A. § 3802(12)

2 (b) FY 2011 estimate: data unavailable

3 (c) FY 2011 recommended exemption: No change

4 **Sec. B5.018.** EXEMPTION FOR PROPERTY OWNED BY HUMANE  
5 SOCIETIES AND NONPROFIT ORGANIZATIONS  
6 DEVOTED TO THE WELFARE, PROTECTION, AND  
7 HUMANE TREATMENT OF ANIMALS

8 (a) Authority: 32 V.S.A. § 3802(15)

9 (b) FY 2011 estimate: (\$62,000)

10 (c) FY 2011 recommended exemption: No change

11 **Sec. B5.019.** EXEMPTION FOR PROPERTY OWNED BY A  
12 FEDERALLY QUALIFIED HEALTH CENTER OR A  
13 FREE-STANDING, FEDERALLY DESIGNATED RURAL  
14 HEALTH CLINIC

15 (a) Authority: 32 V.S.A. § 3802(16)

16 (b) FY 2011 estimate: (\$159,000)

17 (c) FY 2011 recommended exemption: No change

18 **Sec. B5.020.** EXEMPTION FOR SKI LIFTS AND SNOWMAKING  
19 EQUIPMENT

20 (a) Authority: 32 V.S.A. § 5401(10)(D)

21 (b) FY 2011 estimate: (\$1,800,000)

1 (c) FY 2011 recommended exemption: No change

2 **Sec. B5.021.** EXEMPTION FOR PROPERTY OWNED BY A  
3 MUNICIPALITY

4 (a) Authority: 32 V.S.A. § 5401(10)(F)

5 (b) FY 2011 estimate: (\$10,960,000)

6 (c) FY 2011 recommended exemption: No change

7 **Sec. B5.022.** SPECIAL PROPERTY TAX TREATMENT FOR POWER  
8 PLANT THAT IS SUBJECT TO TAX UNDER 32 V.S.A.  
9 § 5402a

10 (a) Authority: 32 V.S.A. § 5402(d)

11 (b) FY 2011 estimate: (\$4,100,000)

12 (c) FY 2011 recommended exemption: No change

13 **Sec. B5.023.** SPECIAL THREE-QUARTER OF BASE RATE FOR  
14 HOMESTEAD PROPERTY LOCATED IN A  
15 MUNICIPALITY WITH A POWER PLANT THAT IS  
16 SUBJECT TO TAX UNDER 32 V.S.A. § 5402a

17 (a) Authority: 32 V.S.A. § 5402(d)

18 (b) FY 2011 estimate: (\$650,000)

19 (c) FY 2011 recommended exemption: No change

20 **Sec. B5.024.** EXEMPTION FOR RAILROAD PROPERTY

21 (a) Authority: 32 V.S.A. § 3803

1 (b) FY 2011 estimate: (\$157,000)

2 (c) FY 2011 recommended exemption: No change

3 **Sec. B5.025.** EXEMPTION FOR NONPROFIT MEDICAL SERVICE

4 CORPORATIONS

5 (a) Authority: 32 V.S.A. §§ 4518 and 4590

6 (b) FY 2011 estimate: (\$546,000)

7 (c) FY 2011 recommended exemption: No change

8 **Sec. B5.026.** EXEMPTION FOR WIND-POWERED ELECTRIC

9 GENERATING FACILITIES TAXED UNDER 32 V.S.A.

10 § 5402c

11 (a) Authority: 32 V.S.A. § 5401(10)(J)

12 (b) FY 2011 estimate: \$0

13 (c) FY 2011 recommended exemption: No change

14 **Sec. B5.027.** EDUCATION PROPERTY TAX EXEMPTION FOR

15 SKATING RINKS USED BY SCHOOLS – PROPERTY TAX

16 YEARS 2009 AND 2010 ONLY

17 (a) Authority: Sec. 40 of No. 190 of the Acts of the 2007 Adj. Sess. (2008)

18 (b) FY 2011 estimate: (\$75,000)

19 (c) FY 2011 recommended exemption: No change

20 **Sec. B5.028.** EDUCATION PROPERTY TAX EXEMPTION FOR TWO

21 PROPERTIES USED BY HEALTH, RECREATION, AND

1                   FITNESS ORGANIZATIONS, ONE DESIGNATED BY THE  
2                   SPRINGFIELD HOSPITAL AND THE OTHER  
3                   DESIGNATED BY THE NORTH COUNTY HOSPITAL

4           (a) Authority: Sec. H.49 of No 1 of the Acts of 2009 (Sp. Sess.)

5           (b) FY 2011 estimate: (\$65,000)

6           (c) FY 2011 recommended exemption: No change

7                                 \* \* \* *Adjustments to Property Values* \* \* \*

8       **Sec. B5.101.** ADJUSTMENT FOR ACQUIRED INTEREST IN LAND  
9                   BY PUBLIC AGENCIES

10          (a) Authority: 10 V.S.A. § 6306

11          (b) FY 2011 estimate: (\$385,000)

12          (c) FY 2011 recommended exemption: No change

13       **Sec. B5.102.** ADJUSTMENT FOR LAND ENROLLED IN THE USE  
14                   VALUE APPRAISAL PROGRAM

15          (a) Authority: 32 V.S.A. chapter 124

16          (b) FY 2011 estimate: (\$40,400,000)

17          (c) FY 2011 recommended exemption: No change

18       **Sec. B5.103.** ADJUSTMENT FOR QUALIFIED RENTAL HOUSING;  
19                   10% OF GRAND LIST VALUE

20          (a) Authority: 32 V.S.A. § 5404a(a)(6)

21          (b) FY 2011 estimate: (\$546,000)

1 (c) FY 2011 recommended exemption: No change

2 **Sec. B5.104.** ADJUSTMENT FOR TAX INCREMENT FINANCING

3 DISTRICTS

4 (a) Authority: 32 V.S.A. §§ 5404a(f) and 5405(a)

5 (b) FY 2011 estimate: (\$2,000,000)

6 (c) FY 2011 recommended exemption: No change

7 **Sec. B5.105.** ADJUSTMENT FOR TAX STABILIZATION AGREEMENTS

8 APPROVED BY THE VERMONT ECONOMIC PROGRESS

9 COUNCIL

10 *Note: The authority for VEPC to approve tax stabilization agreements was*  
11 *repealed by Sec. 63 of No. 190 of the Acts of the 2007 Adj. Sess. (2008)*

12 (a) Authority: 32 V.S.A. § 5404a(e)

13 (b) FY 2011 estimate: (\$100,000)

14 (c) FY 2011 recommended exemption: No change

15 **Sec. B5.106.** ADJUSTMENTS FOR INCOME SENSITIVITY

16 (a) Authority: 32 V.S.A. chapter 154

17 (b) FY 2011 estimate: (\$173,800,000)

18 (c) FY 2011 recommended exemption: No change

1                   \* \* \* *Exempted Properties Not Codified* \* \* \*

2       **Sec. B5.201.** EXEMPTION FROM PROPERTY TAX NOT CODIFIED

3       *Note: At least seven properties in the state are exempt from property taxation*  
4       *pursuant to session law that was never codified. Most, if not all, of these*  
5       *properties likely fall within a category of an existing statutory exemption, and*  
6       *the legislative council will research this issue during the 2010 summer and*  
7       *report to the house committee on ways and means no later than January 15,*  
8       *2011.*

9                   \* \* \* **Bank Franchise Taxes** \* \* \*

10                  \* \* \* *Bank Franchise Exemptions from Tax on Deposits* \* \* \*

11       **Sec. B6.001.** EXEMPTION FOR DEPOSITS IN THE VERMONT

12                               HIGHER EDUCATION SAVINGS PLAN

13           (a) Authority: 32 V.S.A. § 5836(j)

14           (b) FY 2011 estimate: (\$90,000)

15           (c) FY 2011 recommended exemption: No change

16       **Sec. B6.002.** EXEMPTION FOR DEPOSITS AND SHARES HELD BY

17                               STATE-CHARTERED CREDIT UNIONS

18           (a) Authority: 8 V.S.A. § 2085

19           (b) FY 2011 estimate: (\$700,000)

20           (c) FY 2011 recommended exemption: No change

1                                   \* \* \* *Bank Franchise Tax Credits* \* \* \*

2       **Sec. B6.101.** CREDIT FOR INVESTMENTS IN AFFORDABLE  
3                                   HOUSING

4           (a) Authority: 32 V.S.A. § 5930u

5           (b) FY 2011 estimate: (\$1,120,000)

6           (c) FY 2011 recommended exemption: No change

7       **Sec. B6.102.** CREDIT FOR QUALIFIED EXPENDITURES ON  
8                                   FAÇADE IMPROVEMENT, INSTALLATION OR  
9                                   IMPROVEMENT OF PLATFORM LIFT, ELEVATOR,  
10                                  SPRINKLER SYSTEM, OR OTHER QUALIFIED CODE  
11                                  IMPROVEMENTS

12          (a) Authority: 32 V.S.A. § 5930cc

13          (b) FY 2011 estimate: (\$550,000)

14          (c) FY 2011 recommended exemption: No change

15       **Sec. B6.103.** CREDIT FOR CONTRIBUTIONS TO THE VERMONT  
16                                  SEED CAPITAL FUND

17          (a) Authority: 32 V.S.A. § 5830b

18          (b) FY 2011 estimate: \$0

19          (c) FY 2011 recommended exemption: No change

1       **Sec. B6.104.** CREDIT FOR DIFFERENCE BETWEEN INTEREST  
2                               INCOME THAT WOULD HAVE BEEN RECEIVED AT  
3                               CHARITABLE THRESHOLD RATE AND ACTUAL  
4                               INTEREST INCOME RECEIVED

5           (a) Authority: 32 V.S.A. § 5830c

6           (b) Amount of maximum credit: 3% of average outstanding principal  
7 balance of the investment during the taxable year

8           (c) FY 2011 estimate: \$0

9           (d) FY 2011 recommendation: No change

10                               \* \* \* **Insurance Premiums Taxes** \* \* \*

11                               \* \* \* *Insurance Premiums Tax Credits* \* \* \*

12       **Sec. B7.001.** CREDIT FOR INVESTMENTS IN AFFORDABLE HOUSING

13           (a) Authority: 32 V.S.A. § 5930u

14           (b) FY 2011 estimate: (\$470,000)

15           (c) FY 2011 recommended exemption: No change

16       **Sec. B7.002.** CREDIT FOR QUALIFIED EXPENDITURES ON  
17                               FAÇADE IMPROVEMENT, INSTALLATION OR  
18                               IMPROVEMENT OF PLATFORM LIFT, ELEVATOR,  
19                               SPRINKLER SYSTEM, OR OTHER QUALIFIED CODE  
20                               IMPROVEMENTS

21           (a) Authority: 32 V.S.A. § 5930cc

1 (b) FY 2011 estimate: \$0

2 (c) FY 2011 recommended exemption: No change

3 **Sec. B7.003. CREDIT FOR CONTRIBUTIONS TO THE VERMONT**

4 SEED CAPITAL FUND

5 (a) Authority: 32 V.S.A. § 5830b

6 (b) FY 2011 estimate: \$0

7 (c) FY 2011 recommended exemption: No change

8 \* \* \* *Exemptions from the Insurance Premiums Tax* \* \* \*

9 **Sec. B7.101. EXEMPTION FOR CONSIDERATIONS RECEIVED FOR**

10 ANNUITY CONTRACTS

11 (a) Authority: 8 V.S.A. § 3718

12 (b) FY 2011 estimate: (\$9,400,000)

13 (c) FY 2011 recommended exemption: No change

14 **Sec. B7.102. EXEMPTION FOR FRATERNAL SOCIETIES**

15 (a) Authority: 8 V.S.A. § 4500

16 (b) FY 2011 estimate: (<\$100,000)

17 (c) FY 2011 recommended exemption: No change

18 **Sec. B7.103. EXEMPTION FOR NONPROFIT HOSPITAL SERVICE**

19 ORGANIZATIONS AND NONPROFIT MEDICAL

20 SERVICE ORGANIZATIONS

21 (a) Authority: 8 V.S.A. §§ 4518 and 4590

1 (b) FY 2011 estimate: (\$7,200,000)

2 (c) FY 2011 recommended exemption: No change

3 \* \* \* **Vermont Employment Growth Incentives** \* \* \*

4 Sec. B8. LIMITATION ON AMOUNT OF VERMONT EMPLOYMENT  
5 GROWTH INCENTIVE TAX CREDITS THAT MAY  
6 ANNUALLY BE GRANTED BY THE VERMONT ECONOMIC  
7 PROGRESS COUNCIL

8 (a) Authority: Sec. 11(c) of No. 184 of the Acts of the 2005 Adj. Sess.  
9 (2006)

10 (b) Limitation: (\$10,000,000)

11 \* \* \* **Downtown and Village Center Tax Credit Program** \* \* \*

12 Sec. B9. LIMITATION ON AMOUNT OF TAX CREDITS THAT MAY BE  
13 GRANTED ANNUALLY BY THE VERMONT DOWNTOWN  
14 DEVELOPMENT BOARD

15 (a) Authority: 32 V.S.A. § 5930ee

16 (b) Limitation: (\$1,700,000)

17 \* \* \* **Statutory Changes** \* \* \*

18 **Sec. C1. REPEAL**

19 The following tax credits are repealed for tax years beginning on and after  
20 January 1, 2013:

1           (1) 32 V.S.A. § 5823(a)(6) (support payments for developmentally  
2 disabled persons, Sec. B1.204); and

3           (2) 32 V.S.A. § 5826 (income from commercial film production credit;  
4 Sec. B1.303).

5       **Sec. C2. USE OF TAX EXPENDITURE SAVINGS**

6           Sec. C1(1) of this act repeals the exclusion from taxable income of the  
7 amounts paid by the state to a taxpayer caring for a person with a  
8 developmental disability. It is the intent of the general assembly that the  
9 estimated \$5,000.00 in additional revenue to the state that is raised by this  
10 repeal be appropriated to the department on disabilities, aging, and  
11 independent living within the agency of human services.

12       **Sec. C3.** 32 V.S.A. § 5823(b) is amended to read:

13           (b) For any taxable year, the Vermont income of a nonresident individual,  
14 estate or trust is the sum of the following items of income to the extent they are  
15 required to be included in the adjusted gross income of the individual or the  
16 gross income of an estate or trust for that taxable year:

17           (1) Rents and royalties derived from the ownership of property located  
18 within this state.

19           (2) Gains from the sale or exchange of property located within this state.

20           (3) Wages, salaries, commissions or other income (excluding military  
21 pay for full-time active duty with the armed services and also excluding funds

1 received through the federal armed forces educational loan repayment program  
2 under 10 U.S.C. chapters 109 and 1609; and also excluding the first \$2,000.00  
3 of military pay for unit training in the state to National Guard and United  
4 States Reserve personnel for whom the adjutant general or reserve component  
5 commander certifies that the taxpayer completed all unit training of his or her  
6 unit during the calendar year, and who has a federal adjusted gross income of  
7 less than \$50,000.00) received with respect to services performed within this  
8 state; ~~and also excluding income received for a dramatic performance in a~~  
9 ~~commercial film production to the extent such income would be excluded from~~  
10 ~~personal income taxation in the state of residence.~~

11 (4) Income (other than income exempted from state taxation under the  
12 laws of the United States) derived from every business, trade, occupation or  
13 profession to the extent that the business, trade, occupation or profession is  
14 carried on within this state including any compensation received

15 (A) under an agreement not to compete with a business operating in  
16 Vermont;

17 (B) for goodwill associated with the sale of a Vermont business; or

18 (C) for services to be performed under a contract associated with the  
19 sale of a Vermont business, unless it is shown that the compensation for  
20 services does not constitute income from the sale of the business; ~~but~~  
21 ~~excluding income received for a dramatic performance in a commercial film~~

1 ~~production to the extent such income would be excluded from personal income~~  
2 ~~taxation in the state of residence.~~

3 \* \* \*

4 \* \* \* **Downtown and Village Center Program** \* \* \*

5 **Sec. C4. VERMONT DOWNTOWN DEVELOPMENT BOARD**

6 The authorization of the Vermont downtown development board to certify  
7 for reallocation to municipalities sales tax revenues under 32 V.S.A. § 9819  
8 and award tax credits under subchapter 11J of chapter 151 of Title 32 is  
9 amended for fiscal year 2011 so that the limitations provided in 32 V.S.A.  
10 § 5930ee shall apply against a total amount of \$2,300,000 for the authorization  
11 of sales tax reallocation and against a total amount of \$1,700,000 for the  
12 authorization of tax credits. Where a municipality in fiscal year 2011 is  
13 awarded both reallocation of sales tax revenues and tax credits, the limitations  
14 provided in 32 V.S.A. § 5930ee shall apply against a total annual authorization  
15 amount of \$2,300,000.

16 \* \* \* **Tax Expenditure Report / Comprehensive Review** \* \* \*

17 **Sec. C5.** 32 V.S.A. § 312 is amended to read:

18 § 312. TAX EXPENDITURE REPORT

19 (a) For purposes of this section, “tax expenditure” shall mean the actual or  
20 estimated loss in tax revenue resulting from any exemption, exclusion,  
21 deduction, or credit applicable to the tax. With respect to personal and

1 corporate income taxes, “tax expenditure” shall also mean the actual or  
2 estimated loss in tax revenue resulting from the pass-through of a federal  
3 exemption, exclusion, deduction, credit, or other adjustment made in  
4 determining federal taxable income.

5 (b)(1) Tax expenditure reports. Biennially, as part of the budget process,  
6 beginning January 15, 2009, the department of taxes and the joint fiscal office  
7 shall file with the house committees on ways and means and appropriations  
8 and the senate committees on finance and appropriations a report on tax  
9 expenditures in the personal and corporate income, sales and use, and meals  
10 and rooms tax returns, insurance premium tax and bank franchise tax returns,  
11 and education property tax grand lists and such other tax expenditures for  
12 which the joint fiscal office and the tax department jointly have produced  
13 revenue estimates. Legislative council shall also be available to assist with this  
14 tax expenditure report.

15 (2) The report shall include, for each tax expenditure, the following  
16 information:

17 ~~(1)~~(A) A description of the tax expenditure.

18 ~~(2)~~(B) The most recent fiscal information available on the direct cost  
19 of the tax expenditure in the past two years.

20 ~~(3)~~(C) The date of enactment of the expenditure.

1           ~~(4)~~(D) A description of and estimate of the number of taxpayers  
2 directly benefiting from the expenditure provision.

3           (3) The report due January 15, 2011, shall also include the pass-through  
4 of federal tax expenditures from personal income tax reported on federal  
5 Schedule A to Form 1040, and shall also include all exemptions, exclusions,  
6 deductions, credits, or adjustments against the following state taxes:

7                   (A) The diesel fuel tax imposed pursuant to chapter 27 of Title 23.

8                   (B) The gasoline tax imposed pursuant to chapter 28 of Title 23.

9                   (C) The motor vehicle purchase and use tax imposed pursuant to  
10 chapter 219 of this title.

11           (4) The report due on January 15, 2013, shall include the information in  
12 subdivision (3) of this subsection plus those tax expenditures passed through  
13 from federal exemptions, exclusions, deductions, and other adjustments that  
14 influence the modification of personal adjusted gross income to taxable  
15 income.

16           (5) The report due on January 15, 2015, shall include the information in  
17 subdivisions (3) and (4) of this subsection plus those expenditures resulting  
18 from the pass-through of federal exemptions, exclusions, deductions, credits,  
19 and other adjustments to both personal and corporate taxable income, as  
20 identified in the FY 2009 Governor's Budget Recommendation Tax  
21 Expenditure Budget prepared by the Massachusetts Department of Revenue.

1 The report due on January 15, 2015, shall also include a list of additional  
2 federal tax expenditures affecting Vermont taxable income that the department  
3 and the joint fiscal office believe can reasonably be identified and quantified.

4 (c) Based on the information contained in the tax expenditure report, the  
5 commissioner shall recommend to the general assembly that any expenditure  
6 that has cost less than \$50,000.00 or has been claimed by fewer than ten  
7 taxpayers in each of the three preceding years be repealed two years hence.

8 (d) The department of motor vehicles shall provide the joint fiscal office,  
9 legislative council, and the department of taxes data available from the diesel  
10 fuel tax, gasoline tax, and the motor vehicle purchase and use tax.

11 (e) By January 15, 2011, the agency of administration, with the assistance  
12 of the department of taxes and departments and agencies that administer  
13 economic development programs, shall provide to the house committees on  
14 appropriations and on ways and means and to the senate committees on  
15 appropriations and on finance a report listing the most recent fiscal year  
16 appropriations and tax expenditure estimates of all of the on-budget and  
17 off-budget expenditures related to economic development. The agency of  
18 administration shall include analysis on the efficacy of the on- and off-budget  
19 expenditures and shall make recommendations about changing, expanding, or  
20 eliminating expenditures in order to efficiently and effectively achieve the  
21 desired goals and outcomes.

1        (f) Each year, the general assembly shall designate one or more areas of  
2        review for on- and off-budget expenditures.

3        **Sec. D1. EFFECTIVE DATE**

4        This act shall take effect upon passage.