

1 H.402

2 Introduced by Representatives Font-Russell of Rutland City, Andrews of
3 Rutland City, Bohi of Hartford, Christie of Hartford, Courcelle
4 of Rutland City, Fagan of Rutland City, French of Shrewsbury,
5 Lanpher of Vergennes, Martin of Springfield, McNeil of
6 Rutland Town, Trieber of Rockingham and Waite-Simpson of
7 Essex

8 Referred to Committee on

9 Date:

10 Subject: Taxation; income tax; downtown business lease incentive; Rutland
11 pilot project

12 Statement of purpose: This bill proposes to create a pilot project in Rutland
13 City for an income tax incentive to encourage leasing of downtown property.

14 An act relating to Rutland City downtown leasing income tax incentive pilot
15 project

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

17 Sec. 1. DOWNTOWN BUSINESS LEASING INCENTIVE TAX CREDIT;

18 2012 PILOT PROJECT IN THE CITY OF RUTLAND

19 For taxable year 2012 only, a taxpayer who owns commercial property in
20 the downtown development district of the city of Rutland shall be eligible for a

1 nonrefundable credit against the tax imposed under 32 V.S.A. § 5822 or 5832
2 of 10 percent of the 2012 annualized rent for a commercial building or portion
3 of a commercial building in the city of Rutland, leased by the taxpayer to a
4 business under a qualified lease, and under which lease the rent for the first
5 year of the lease is waived by the taxpayer lessor. A qualified lease under this
6 section means a lease with a term of at least five years and which requires
7 payment of full rent by the lessor for years two through five of the lease term,
8 regardless of lease termination by the lessee.

9 Sec. 2. REPORT BY CITY OF RUTLAND

10 By January 15, 2014, the city council of the city of Rutland shall report to
11 the house committee on ways and means and the senate committee on finance
12 the results of the pilot project implemented under this act, and shall make its
13 recommendation as to whether the project was effective or ineffective in
14 increasing business and jobs in downtown Rutland.

15 Sec. 3. EFFECTIVE DATE

16 This act shall take effect on passage.