

1 S.39

2 Introduced by Senators Hartwell and Sears

3 Referred to Committee on

4 Date:

5 Subject: Taxation; local option taxes

6 Statement of purpose of bill as introduced: This bill proposes to allow all
7 municipalities to adopt a local option tax.

8 An act relating to the adoption of local option taxes

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

10 Sec. 1. 24 V.S.A. § 138(a) is amended to read:

11 (a) Local option taxes are authorized under this section for the purpose of
12 affording municipalities ~~an alternative~~ a method of raising municipal revenues
13 ~~to facilitate the transition and reduce the dislocations in those municipalities~~
14 ~~that may be caused by reforms to the method of financing public education~~
15 ~~under the Equal Educational Opportunity Act of 1997. Accordingly:~~

16 ~~(1) the local option taxes authorized under this section may be imposed~~
17 ~~by a municipality;~~

18 ~~(2) a municipality opting to impose a local option tax may do so prior to~~
19 ~~July 1, 1998 to be effective beginning January 1, 1999, and anytime after~~
20 ~~December 1, 1998 a local option tax shall be effective beginning on the next~~

1 ~~tax quarter following 90 days' notice to the department of taxes of the~~
2 ~~imposition; and~~

3 ~~(3) a local option tax may only be adopted by a municipality in which:~~

4 ~~(A) the education property tax rate in 1997 was less than \$1.10 per~~
5 ~~\$100.00 of equalized education property value; or~~

6 ~~(B) the equalized grand list value of personal property, business~~
7 ~~machinery, inventory, and equipment is at least ten percent of the equalized~~
8 ~~education grand list as reported in the 1998 Annual Report of the Division of~~
9 ~~Property Valuation and Review; or~~

10 ~~(C) the combined education tax rate of the municipality will increase~~
11 ~~by 20 percent or more in fiscal year 1999 or in fiscal year 2000 over the rate of~~
12 ~~the combined education property tax in the previous fiscal year. A local option~~
13 ~~tax shall be effective beginning on the next tax quarter following 90 days'~~
14 ~~notice to the Department of Taxes of the imposition.~~

15 Sec. 2. EFFECTIVE DATE

16 This act shall take effect on July 1, 2013.