

1 Introduced by Committee on Ways and Means

2 Date:

3 Subject: Taxation; miscellaneous tax provisions

4 Statement of purpose of bill as introduced: This bill proposes to make
5 miscellaneous changes to Vermont's taxes and tax administration.

6 An act relating to miscellaneous tax changes

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

8 * * * Personal and Corporate Income Taxes * * *

9 Sec. 1. 32 V.S.A. § 5862d is amended to read:

10 § 5862d. FILING OF FEDERAL FORM 1099

11 (a) Any individual or business required to file a federal form 1099 with
12 respect to a nonresident who performed services within the State during the
13 taxable year shall file a copy of the form with the Department. The
14 Commissioner may authorize electronic filing of the form.

15 (b) Any individual or business required to file information returns pursuant
16 to 26 U.S.C. § 6050W shall within 30 days of the date the filing is due to the
17 Internal Revenue Service file with the Commissioner a duplicate of such
18 information returns on which the recipient has a Vermont address. The
19 Commissioner may authorize electronic filing of the form.

1 Sec. 2. 32 V.S.A. § 5870 is amended to read:

2 § 5870. REPORTING USE TAX ON INDIVIDUAL INCOME TAX

3 RETURNS

4 The Commissioner of Taxes shall provide that individuals report use tax on
5 their State individual income tax returns. Taxpayers are required to attest to
6 the amount of their use tax liability under chapter 233 of this title for the period
7 of the tax return. Alternatively, they may elect to report an amount that is 0.08
8 percent of their Vermont adjusted gross income, as shown on a table published
9 by the Commissioner of Taxes; ~~and~~ provided, however, that use tax liability
10 arising from the purchase of each item with a purchase price in excess of
11 \$1,000.00 shall be added to the table amount and further provided that tax due
12 with respect to items with a purchase price of \$5,000.00 or more must be
13 reported and remitted by the 25th day of the month following the month of
14 purchase.

15 Sec. 3. FLOOD-RELATED PAYMENTS

16 Notwithstanding that the credit for qualified expenditures resulting from
17 damage caused by a federally declared disaster in Vermont in 2011 authorized
18 by 32 V.S.A. § 5930bb(d) is limited to individuals, a payment not to exceed
19 \$88,800.00 may be made to the Latchis Arts, Inc. for flood damage
20 expenditures that would qualify under section 5930bb if made by an
21 individual.

1 Sec. 4. 32 V.S.A. § 5862(c) is amended to read:

2 (c) Taxable corporations which received any income allocated or
3 apportioned to this State under the provisions of section 5833 of this title for
4 the taxable year and which under the laws of the United States constitute an
5 affiliated group of corporations may elect to file a consolidated return in lieu of
6 separate returns if such corporations qualify and elect to file a consolidated
7 federal income tax return for that taxable year. Such an election to file a
8 Vermont consolidated return shall continue for five years, including the year
9 the election is made.

10 Sec. 5. 32 V.S.A. § 5930b(c)(9) is amended to read:

11 (9) Incentive claims must be filed annually no later than the last day of
12 April of ~~each~~ the current year or the for the prior year's utilization period. For
13 a claim to be considered a timely filing and eligible for an incentive payment,
14 all forms and workbooks must be complete and all underlying documentation,
15 such as that required pursuant to subsection 5842(c) of this title, must be filed
16 with the Department of Taxes. Incomplete claims may be considered to have
17 been timely filed if a complete claim is filed within the time prescribed by the
18 Department of Taxes. If a claim is not filed each year of the utilization period,
19 any incentive installment previously paid shall be recaptured in accordance
20 with subsection (d) of this section and upon notice from the Department of
21 Taxes that the business failed to file a complete timely claim, the Vermont

1 Economic Progress Council shall revoke all authority for the business to earn
2 and claim incentives under this subchapter. The incentive return shall be
3 subject to all provisions of this chapter governing the filing of tax returns. No
4 interest shall be paid by the Department of Taxes for any reason with respect to
5 incentives allowed under this section.

6 * * * Downtown Credit Tax Program * * *

7 Sec. 6. 32 V.S.A. § 5930ee(1) is amended to read:

8 (1) The total amount of tax credits awarded annually, together with sales
9 tax reallocated under section 9819 of this title, does not exceed ~~\$1,700,000.00~~
10 \$2,200,000.00.

11 * * * Property Taxes * * *

12 Sec. 7. 32 V.S.A. § 3436(b) is amended to read:

13 (b) The director shall ~~determine~~ establish designations recognizing levels
14 of achievement and the necessary course work or evaluation of equivalent
15 experience required for to attain each designation as ~~Vermont lister/assessor,~~
16 ~~Vermont property evaluator, and Vermont municipal assessor.~~ Designation for
17 any one level shall be for a period of three years.

18 Sec. 8. REPEAL

19 32 V.S.A. § 3802(18) is repealed on January 1, 2015.

1 Sec. 9. 32 V.S.A. § 3839 is added to read:

2 § 3839. MUNICIPALLY OWNED LAKESHORE PROPERTY

3 (a) Notwithstanding section 3659 of this title, a town may vote to exempt
4 from its municipal taxes, in whole or in part, any parcel of land, but not
5 buildings, that provides public access to public waters, as defined in 10 V.S.A.
6 § 1422(6), and that is also:

7 (1) owned by the Town of Hardwick, and located in Greensboro,
8 Vermont; or

9 (2) owned by the Town of Thetford, and located in Fairlee and West
10 Fairlee, Vermont.

11 (b) An exemption voted by a town under subsection (a) of this section shall
12 be for up to ten years. Upon the expiration of the exemption, a town may vote
13 additional periods of exemption not exceeding five years each.

14 Sec. 10. 32 V.S.A. § 5401(10)(K) is added to read:

15 (K) Any parcel of land, but not buildings, that provides public access to
16 public waters, as defined in 10 V.S.A. § 1422(6), and that is also:

17 (i) owned by the Town of Hardwick, and located in Greensboro,
18 Vermont; or

19 (ii) owned by the Town of Thetford, and located in Fairlee and West
20 Fairlee, Vermont.

1 Sec. 11. 32 V.S.A. § 5408(a) is amended to read:

2 (a) Not later than ~~30~~ 35 days after ~~the receipt by its clerk~~ mailing of a
3 notice under section 5406 of this title, a municipality may petition the Director
4 of the Division of Property Valuation and Review for a redetermination of the
5 municipality's equalized education property value and coefficient of
6 dispersion. Such petition shall be in writing and shall be signed by the chair of
7 the legislative body of the municipality or its designee.

8 Sec. 12. 32 V.S.A. § 5410(g) is amended to read:

9 (g) If the property identified in a declaration under subsection (b) of this
10 section is not the taxpayer's homestead, or if the owner of a homestead fails to
11 declare a homestead as required under this section, the Commissioner shall
12 notify the municipality, and the municipality shall issue a corrected tax bill that
13 may include a penalty. If the property incorrectly declared as a homestead is
14 located in a municipality that has a lower homestead tax rate than the
15 nonresidential tax rate, the penalty shall be an amount equal to eight percent of
16 the education tax on the property, but if the homestead tax rate is higher than
17 the nonresidential tax rate, the penalty shall be in an amount equal to three
18 percent of the education tax on the property. If an undeclared homestead is
19 located in a municipality that has a lower nonresidential tax rate than the
20 homestead tax rate, the penalty shall be eight percent of the education tax
21 liability on the property, but if the nonresidential tax rate is higher than the

1 homestead tax rate, then the penalty shall be in an amount equal to three
2 percent of the education tax on the property. If the Commissioner determines
3 that the declaration or failure to declare was with fraudulent intent, then the
4 municipality shall assess the taxpayer a penalty in an amount equal to 100
5 percent of the education tax on the property; plus any interest and late-payment
6 fee or commission which may be due. Any penalty imposed under this section
7 and any additional property tax interest and late-payment fee or commission
8 shall be assessed and collected by the municipality in the same manner as a
9 property tax under chapter 133 of this title. Notwithstanding section 4772 of
10 this title, issuance of a corrected bill issued under this section does not extend
11 the time for payment past the original due date or alter the amount shown as
12 due on the original bill. Any overpayment shall be reflected on the corrected
13 tax bill.

14 Sec. 13. 32 V.S.A. § 5410(i) is amended to read:

15 (i) An owner filing a new or corrected declaration, or rescinding an
16 erroneous declaration, after ~~September 1~~ October 15 shall not be entitled to a
17 refund resulting from the correct property classification; and any additional
18 property tax and interest which would result from the correct classification
19 shall not be assessed as tax and interest, but shall instead constitute an
20 additional penalty, to be assessed and collected in the same manner as penalties

1 under subsection (g) of this section. Any change in property classification
2 under this subsection shall not be entered on the grand list.

3 Sec. 14. 32 V.S.A. § 6065(b) is amended to read:

4 (b) Prior to June 1, the Commissioner shall also prepare and ~~supply to each~~
5 ~~town in the State notices~~ distribute to each town in such manner as the
6 Commissioner deems appropriate a notice describing the homestead property
7 tax adjustment, for inclusion in property tax bills. A town shall include such
8 notice in each tax bill and notice of delinquent taxes which it mails to
9 taxpayers who own in that town a homestead as defined in subdivision 5401(7)
10 of this title.

11 Sec. 15. 32 V.S.A. § 6066a(f) is amended to read:

12 (f) Property tax bills.

13 (1) For taxpayers and amounts stated in the notice to towns on July 1,
14 municipalities shall create and send to taxpayers a homestead property tax bill,
15 instead of the bill required under subdivision 5402(b)(1) of this title, providing
16 the total amount allocated to payment of homestead education property tax
17 liabilities and notice of the balance due. Municipalities shall apply the amount
18 allocated under this chapter to current-year property taxes in equal amounts to
19 each of the taxpayers' property tax installments that include education taxes.
20 Notwithstanding section 4772 of this title, if a town issues a corrected bill as a
21 result of the November 1 notice sent by the Commissioner under subsection (a)

1 of this section, issuance of such corrected new bill does not extend the time for
2 payment past the original due date or alter the amount shown as due on the
3 original bill. Any overpayment shall be reflected on the corrected tax bill.

4 (2) For property tax adjustment amounts for which municipalities
5 receive notice ~~on or~~ after November 1, municipalities shall issue a new
6 homestead property tax bill with notice to the taxpayer of the total amount
7 allocated to payment of homestead property tax liabilities and notice of the
8 balance due.

9 (3) The property tax adjustment amount determined for the taxpayer
10 shall be allocated first to current-year property tax on the homestead parcel,
11 next to current-year homestead parcel penalties and interest, next to any prior
12 year homestead parcel penalties and interest, and last to any prior year property
13 tax on the homestead parcel. No adjustment shall be allocated to a property tax
14 liability for any year after the year for which the claim or refund allocation was
15 filed. No municipal tax-reduction incentive for early payment of taxes shall
16 apply to any amount allocated to the property tax bill under this chapter.

17 (4) If the property tax adjustment amount as described in subsection (e)
18 of this section exceeds the property tax, penalties, and interest, due for the
19 current and all prior years, the municipality shall refund the excess to the
20 taxpayer, without interest, within 20 days of the first date upon which taxes

1 become due and payable or 20 days after notification of the adjustment amount
2 by the Commissioner of Taxes, whichever is later.

3 * * * Cigarettes and Tobacco Taxes * * *

4 Sec. 16. 32 V.S.A. § 7734 is amended to read:

5 § 7734. PENALTIES FOR SALES WITHOUT LICENSE

6 Any licensed wholesale dealer who shall sell, offer for sale, or possess with
7 intent to sell any cigarettes, roll-your-own tobacco, little cigars, snuff, new
8 smokeless tobacco, or other tobacco products, or ~~both~~ any combination thereof,
9 without having first obtained a license as provided in this subchapter shall be
10 fined not more than \$25.00 for the first offense and not more than \$200.00 nor
11 less than \$25.00 for each subsequent offense.

12 Sec. 17. 32 V.S.A. § 7771(b) is amended to read:

13 (b) Payment of the tax on cigarettes under this section shall be evidenced
14 by the affixing of stamps to the packages containing the cigarettes. Where
15 practicable, the Commissioner may also require that stamps be affixed to
16 packages containing little cigars or roll-your-own tobacco. Any cigarette, little
17 cigar, or roll-your-own tobacco on which the tax imposed by this section has
18 been paid, such payment being evidenced by the affixing of such stamp or such
19 evidence as the Commissioner may require, shall not be subject to a further tax
20 under this chapter. Nothing contained in this chapter shall be construed to
21 impose a tax on any transaction the taxation of which by this State is

1 prohibited by the constitution of the United States. The amount of taxes
2 advanced and paid by a licensed wholesale dealer ~~or a retail dealer~~ as herein
3 provided shall be added to and collected as part of the retail sale price on the
4 cigarettes, little cigars, or roll-your-own tobacco.

5 Sec. 18. 32 V.S.A. § 7772 is amended to read:

6 § 7772. FORM AND SALE OF STAMPS

7 (a) The Commissioner shall secure stamps of such designs and
8 denominations as he or she shall prescribe to be affixed to packages of
9 cigarettes as evidence of the payment to the tax imposed by this chapter. The
10 Commissioner shall sell such stamps to licensed wholesale dealers ~~and retail~~
11 ~~dealers~~ at a discount of two and three-tenths percent of their face value for
12 payment at time of sale.

13 (b) At the purchaser's request, the Commissioner may sell stamps to be
14 affixed to packages of cigarettes as evidence of the payment to the tax imposed
15 by this chapter to licensed wholesale dealers ~~and retail dealers~~ for payment
16 within 10 days, at a discount of one and five-tenths percent of their face value
17 if timely paid. In determining whether to sell stamps for payment within
18 10 days, the Commissioner shall consider the credit history of the dealer; and
19 the filing and payment history, with respect to any tax administered by the
20 Commissioner, of the dealer or any individual, corporation, partnership, or

1 other legal entity with which the dealer is or was associated as principal,
2 partner, officer, director, employee, agent, or incorporator.

3 (c) The Commissioner shall keep accurate records of all stamps sold to
4 each wholesale dealer ~~and retail dealer~~, and shall pay over all receipts from the
5 sale of stamps to the ~~state treasurer~~ State Treasurer.

6 Sec. 19. 32 V.S.A. § 7773 is amended to read:

7 § 7773. USE AND REDEMPTION OF STAMPS

8 No licensed wholesale dealer ~~or retail dealer~~ shall sell or transfer any
9 stamps issued under the provisions of this chapter. The Commissioner shall
10 redeem at the amount paid therefor by the licensed wholesale or retail dealer
11 any unused stamps issued under the provisions of this chapter, which are
12 presented to him or her at his or her office in Montpelier.

13 Sec. 20. 32 V.S.A. § 7775 is amended to read:

14 § 7775. ~~RETAILERS~~ RETAIL DEALERS

15 Within 24 hours after coming into possession of any cigarettes not bearing
16 proper stamps evidencing payment of the tax imposed by this chapter and
17 before selling the same, each retail dealer shall affix or cause to be affixed
18 stamps of the proper denomination to each individual package of cigarettes as
19 required by section 7771 of this title and in such manner as the Commissioner
20 may specify in regulations issued pursuant to this chapter.

1 Sec. 21. 32 V.S.A. § 7777(d) is amended to read:

2 (d) If a licensed wholesale dealer ~~or retail dealer~~ has failed to timely pay
3 for stamps obtained for payment within 10 days or to pay the tax imposed on
4 roll-your-own tobacco, the dealer shall be subject to assessment, collection,
5 and enforcement in the same manner as provided under subchapter 4 of this
6 chapter.

7 Sec. 22. 32 V.S.A. § 7812 is amended to read:

8 § 7812. LIABILITY FOR AND COLLECTION OF TAX

9 The ~~distributor~~ licensed wholesale dealer shall be liable for the payment of
10 the tax on tobacco products which he or she imports or causes to be imported
11 into the State, or which he or she manufactures in this State, and every
12 ~~distributor~~ licensed wholesale dealer authorized by the Commissioner to make
13 returns and pay the tax on tobacco products sold, shipped, or delivered by him
14 or her to any person in the State, shall be liable for the collection and payment
15 of the tax on all tobacco products sold, shipped, or delivered. Every retail
16 dealer shall be liable for the collection of the tax on all tobacco products in his
17 or her possession at any time, upon which the tax has not been paid by a
18 ~~distributor~~ licensed wholesale dealer and the failure of any retail dealer to
19 produce and exhibit to the Commissioner or his or her authorized
20 representative, upon demand, an invoice by a ~~distributor~~ licensed wholesale
21 dealer for any tobacco products in his or her possession, shall be presumptive

1 evidence that the tax thereon has not been paid and that such retail dealer is
2 liable for the collection of the tax thereon. The amount of taxes advanced and
3 paid by a ~~distributor~~ licensed wholesale dealer or retail dealer as ~~hereinafter~~
4 provided in this section shall be added and collected as part of the sales price
5 of the tobacco products.

6 Sec. 23. 32 V.S.A. § 7813 is amended to read:

7 § 7813. RETURNS AND PAYMENT OF TAX BY ~~DISTRIBUTOR~~

8 LICENSED WHOLESALE DEALER

9 Every ~~distributor~~ licensed wholesale dealer shall, on or before the 15th day
10 of each month, file with the Commissioner a return on forms to be prescribed
11 and furnished by the Commissioner, showing the quantity and wholesale price
12 of all tobacco products sold, shipped, or delivered by him or her to any person
13 in the State during the preceding calendar month. Such returns shall contain
14 such further information as the Commissioner of Taxes may require. Every
15 ~~distributor~~ licensed wholesale dealer shall pay to the Commissioner with the
16 filing of such return the tax on tobacco products for such month imposed under
17 this subchapter. When the ~~distributor~~ or licensed wholesale dealer files the
18 return and pays the tax within the time specified in this section, he or she may
19 deduct therefrom two percent of the tax due.

1 Sec. 24. 32 V.S.A. § 7814 is amended to read:

2 § 7814. FLOOR STOCK TAX

3 (a) Snuff. A floor stock tax is hereby imposed upon every ~~retailer~~ retail
4 dealer of snuff in this State in the amount by which the new tax exceeds the
5 amount of the tax already paid on the snuff. The tax shall apply to snuff in the
6 possession or control of the ~~retailer~~ retail dealer at 12:01 a.m. o'clock on
7 July 1, 2006, but shall not apply to ~~retailers~~ retail dealers who hold less than
8 \$500.00 in wholesale value of such snuff. Each ~~retailer~~ retail dealer subject to
9 the tax shall, on or before July 25, 2006, file a report to the Commissioner in
10 such form as the Commissioner may prescribe showing the snuff on hand at
11 12:01 a.m. ~~o'clock~~ on July 1, 2006, and the amount of tax due thereon. The
12 tax imposed by this section shall be due and payable on or before August 25,
13 2006, and thereafter shall bear interest at the rate established under section
14 3108 of this title. In case of timely payment of the tax, the ~~retailer~~ retail dealer
15 may deduct from the tax due two percent of the tax. Any snuff with respect to
16 which a floor stock tax has been imposed and paid under this section shall not
17 again be subject to tax under section 7811 of this title.

18 (b) Cigarettes, little cigars, or roll-your-own tobacco. Notwithstanding the
19 prohibition against further tax on stamped cigarettes, little cigars, or
20 roll-your-own tobacco under section 7771 of this title, a floor stock tax is
21 hereby imposed upon every dealer of cigarettes, little cigars, or roll-your-own

1 tobacco in this State who is either a ~~wholesaler~~ licensed wholesale dealer, or a
2 ~~retailer~~ retail dealer who at 12:01 a.m. on July 1, 2011, has more than 10,000
3 cigarettes or little cigars or who has \$500.00 or more of wholesale value of
4 roll-your-own tobacco, for retail sale in his or her possession or control. The
5 amount of the tax shall be the amount by which the new tax exceeds the
6 amount of the tax already paid for each cigarette, little cigar, or roll-your-own
7 tobacco in the possession or control of the wholesaler or retailer at 12:01 a.m.
8 on July 1, 2011, and on which cigarette stamps have been affixed before
9 July 1, 2011. A floor stock tax is also imposed on each Vermont cigarette
10 stamp in the possession or control of the wholesaler at 12:01 a.m. on July 1,
11 2011, and not yet affixed to a cigarette package, and the tax shall be at the rate
12 of \$0.38 per stamp. Each ~~wholesaler~~ licensed wholesale dealer and ~~retailer~~
13 retail dealer subject to the tax shall, on or before July 25, 2011, file a report to
14 the Commissioner in such form as the Commissioner may prescribe showing
15 the cigarettes, little cigars, or roll-your-own tobacco and stamps on hand at
16 12:01 a.m. on July 1, 2011, and the amount of tax due thereon. The tax
17 imposed by this section shall be due and payable on or before July 25, 2011,
18 and thereafter shall bear interest at the rate established under section 3108 of
19 this title. In case of timely payment of the tax, the ~~wholesaler~~ licensed
20 wholesale dealer or ~~retailer~~ retail dealer may deduct from the tax due two and
21 three-tenths of one percent of the tax. Any cigarettes, little cigars, or

1 roll-your-own tobacco with respect to which a floor stock tax has been
2 imposed under this section shall not again be subject to tax under section 7771
3 of this title.

4 Sec. 25. 32 V.S.A. § 7819 is amended to read:

5 § 7819. REFUNDS

6 Whenever any tobacco products upon which the tax has been paid have
7 been sold and shipped into another state for sale or use there, or have become
8 unfit for use and consumption or unsalable or have been destroyed, the
9 licensed wholesale dealer shall be entitled to a refund of the actual amount of
10 tax paid with respect thereto. If the Commissioner is satisfied that any licensed
11 wholesale dealer is entitled to a refund, he or she shall so certify to the
12 Commissioner of Finance and Management who shall issue his or her warrant
13 in favor of the licensed wholesale dealer entitled to receive such refund.

14 Sec. 26. 32 V.S.A. § 7821 is amended to read:

15 § 7821. CRIMINAL PENALTIES

16 Any ~~distributor or dealer~~ person who shall fail, neglect, or refuse to comply
17 with or shall violate the provisions of this chapter relating to the tax on tobacco
18 products or the rules ~~and regulations promulgated~~ adopted by the
19 Commissioner under this chapter relating to such tax shall be guilty of a
20 misdemeanor and upon conviction for a first offense shall be sentenced to pay
21 a fine of not more than \$250.00 or to be imprisoned for not more than 60 days,

1 or both, such fine and imprisonment in the discretion of the Court; and for a
2 second or subsequent offense shall be sentenced to pay a fine of not less than
3 \$250.00 nor more than \$500.00, or be imprisoned for not more than six
4 months, or both, such fine and imprisonment in the discretion of the Court.

5 This section shall not apply to violations of sections 7731-7734 and 7776 of
6 this title.

7 Sec. 27. 33 V.S.A. § 1916 is amended to read:

8 § 1916. DEFINITIONS

9 As used in this subchapter:

10 * * *

11 (4) “~~Distributor~~ Wholesale dealer” shall have the same meaning as in
12 32 V.S.A. § 7702~~(4)~~(16).

13 * * *

14 (10) “~~Stamping agent~~” shall mean a person or entity that is required to
15 secure a license pursuant to 32 V.S.A. § 7731 or that is required to pay a tax on
16 cigarettes imposed pursuant to 32 V.S.A. chapter 205. [Repealed.]

17 * * *

18 Sec. 28. 33 V.S.A. § 1917(a) is amended to read:

19 (a) Every tobacco product manufacturer whose cigarettes are sold in this
20 State, whether directly or through a ~~distributor~~, licensed wholesale dealer,
21 retailer, or similar intermediary or intermediaries, shall execute and deliver on

1 a form prescribed by the Attorney General a certification to the Attorney
2 General no later than April 30 each year certifying under penalty of perjury
3 that, as of the date of such certification, such tobacco product manufacturer
4 either is a participating manufacturer or is in full compliance with subchapter
5 1A of this chapter, including all quarterly installment payments required by
6 section 1922 of this title.

7 Sec. 29. 33 V.S.A. § 1918(c) and (d) are amended to read:

8 (c) Unless otherwise provided by agreement between a ~~stamping agent~~
9 licensed wholesale dealer and a tobacco product manufacturer, a stamping
10 agent shall be entitled to a refund from a tobacco product manufacturer for any
11 money paid by the ~~stamping agent~~ licensed wholesale dealer to the tobacco
12 product manufacturer for any cigarettes of that tobacco product manufacturer
13 still in the possession of the ~~stamping agent~~ licensed wholesale dealer on the
14 date of the Attorney General's removal from the directory of that tobacco
15 product manufacturer or the individual styles or brands of cigarettes of that
16 tobacco product manufacturer. Also, unless otherwise provided by agreement
17 between a retail dealer and a ~~distributor~~ licensed wholesale dealer or a tobacco
18 product manufacturer, a retail dealer shall be entitled to a refund from either a
19 ~~distributor~~ licensed wholesale dealer or a tobacco product manufacturer for any
20 money paid by the retail dealer to the ~~distributor~~ licensed wholesale dealer or
21 tobacco product manufacturer for any cigarettes of that ~~distributor~~ licensed

1 wholesale dealer or tobacco product manufacturer still in the possession of the
2 retail dealer on the date of the attorney general's removal from the directory of
3 that tobacco product manufacturer or the individual styles or brands of
4 cigarettes of that tobacco product manufacturer. The Attorney General shall
5 not restore to the directory a tobacco product manufacturer or any individual
6 styles or brands or cigarettes or, if applicable, brand families of that tobacco
7 product manufacturer until the tobacco product manufacturer has paid all
8 stamping agents any refund due pursuant to this section.

9 (d) The Commissioner shall refund to a ~~retailer~~ retail dealer or ~~stamping~~
10 ~~agent~~ licensed wholesale dealer any tax paid under 32 V.S.A. chapter 205 on
11 products no longer saleable in the State under this subchapter.

12 Sec. 30. 33 V.S.A. § 1921 is amended to read:

13 § 1921. REPORTING AND SHARING OF INFORMATION

14 (a) At the date specified in 32 V.S.A. § 7785 or 7813, for monthly reports
15 from licensed wholesale dealers ~~or distributors~~, or at such date and frequency
16 as the Commissioner may require for other stamping agents, which will be at
17 least quarterly, each ~~stamping agent~~ licensed wholesale dealer shall submit
18 such information as the Commissioner requires to facilitate compliance with
19 subchapter 1A of this chapter and this subchapter, including a list by brand
20 family of the total number of cigarettes, or, in the case of roll-your-own
21 tobacco, the equivalent stick count, as determined pursuant to the formula set

1 Sec. 32. 32 V.S.A. § 3845(b) is amended to read:

2 (b) ~~For the purposes of~~ As used in this section, alternate energy sources
3 includes any plant, structure, or facility used for the generation of electricity or
4 production of energy used on the premises for private, domestic, or agricultural
5 purposes, no part of which may be for sale or exchange to the public. The term
6 shall include, ~~but not be limited to~~ grist mills, windmills, facilities for ~~the~~
7 ~~collection of solar energy or~~ the conversion of organic matter to methane, net
8 metering systems regulated by the Public Service Board under 30 V.S.A.
9 § 219a, and all component parts thereof, including land upon which the facility
10 is located, not to exceed one-half acre.

11 Sec. 33. 32 V.S.A. § 5401(10)(J) is amended to read:

12 (J) Buildings and fixtures of:
13 (i) wind-powered electric generating facilities taxed under section
14 5402c of this title; ~~and~~
15 (ii) ~~renewable energy plants generating electricity from solar~~
16 ~~power that are taxed under section 8701 of this title.~~

17 Sec. 34. 32 V.S.A. § 8701 is amended to read:

18 § 8701. UNIFORM CAPACITY TAX

19 (a) As used in this section, the terms “kW,” “plant,” “plant capacity,” and
20 “renewable energy” shall be as defined in 30 V.S.A. § 8002; provided,

1 however, that any tax or exemption under this chapter shall only apply to the
2 fixtures and personal property of a plant, and not to the underlying land.

3 (b) There is assessed on any renewable energy plant in Vermont
4 commissioned to generate solar power an annual tax of ~~\$4.00~~ \$8.00 per kW
5 plant capacity. The tax shall be paid to the Department of Taxes no later than
6 April 15 of each year and accompanied by a return with such information as
7 the Department of Taxes may require. The Department of Taxes shall deposit
8 the taxes collected under this section into the Education Fund. Not later than
9 May 15 in each year, the State shall pay to each municipality in which a
10 renewable energy plant taxed under this section is located 50 percent of that
11 portion of the tax revenue which has been collected upon the plant in that
12 municipality for the immediately preceding taxable year. The Department of
13 Taxes may adopt procedures and rules necessary to implement the tax in this
14 section.

15 (c) A renewable energy plant that generates electricity from solar power
16 shall be exempt from taxation under this section if it has a plant capacity ~~equal~~
17 ~~to or less than 10 kW~~ less than 150kW.

18 (d) The existence of a renewable energy plant subject to tax under
19 subsection (b) of this section shall not alter the exempt status of any underlying
20 property under section 3802 or subdivision 5401(10)(F) of this title.

1 required is punishable by fine of not more than \$500.00 or imprisonment for
2 not more than one year, or both.

3 * * * Sales and Use Tax * * *

4 Sec. 37. 32 V.S.A. § 9773 is amended to read:

5 § 9773. IMPOSITION OF COMPENSATING USE TAX

6 Unless property or telecommunications service has already been or will be
7 subject to the sales tax under this chapter, there is imposed on every person a
8 use tax at the rate of six percent for the use within this State, except as
9 otherwise exempted under this chapter:

10 (1) ~~Of~~ of any tangible personal property purchased at retail;

11 (2) ~~Of~~ of any tangible personal property manufactured, processed, or
12 assembled by the user, if items of the same kind of tangible personal property
13 are offered for sale by him or her in the regular course of business, but the
14 mere storage, keeping, retention, or withdrawal from storage of tangible
15 personal property or the use for demonstrational or instructional purposes of
16 tangible personal property by the person who manufactured, processed or
17 assembled such property shall not be deemed a taxable use by him or her; and
18 for purposes of this section only, the sale of electrical power generated by the
19 taxpayer shall not be considered a sale by him or her in the regular course of
20 business if at least 60 percent of the electrical power generated annually by the
21 taxpayer is used by the taxpayer in his or her trade or business;

* * * Effective Dates * * *

Sec. 41. EFFECTIVE DATES

This act shall take effect on passage except:

(1) Notwithstanding 1 V.S.A. § 214, Secs. 1 (1099K filing requirement), 2 (use tax reporting), 4 (consolidated returns) and 5 (VEGI) shall take effect on January 1, 2014 and apply for tax year 2014 and after.

(2) Sec. 6 (downtown credits) shall apply to fiscal year 2015 and after.

(3) Notwithstanding 1 V.S.A. § 214, Sec. 8 (repeal) shall take effect retroactively on January 1, 2014.

(4) Secs. 9 (town voted exemption) and 10 (education property tax exemption) shall take effect on January 1, 2015 and apply to property appearing on grand lists lodged in 2015 and after.

(5) Secs. 12 (corrected tax bills due to late filing of declaration), 13 (last date for filing declaration), and 15 (corrected tax bills due to late filing of property tax adjustment claim) shall take effect on July 1, 2014 and apply to property appearing on grand lists lodged in 2014 and after.

(6) Sec. 31–33 (solar plant exemptions) shall take effect on January 1, 2015 and apply to property appearing on grand lists lodged in 2015 and after.

(7) Sec. 34 (uniform capacity tax) shall take effect on January 1, 2015.

(8) Sec. 35 (telecommunications use tax) shall take effect with respect to uses on and after July 1, 2014.

- 1 (9) Sec. 38 (health care claims tax rate and deposit to State Health Care
- 2 Resources Fund) shall take effect on July 1, 2014.
- 3 (10) Sec. 39 (health care claims tax rate) shall take effect on July 1,
- 4 2017.