

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred Senate Bill No. 221
3 entitled “An act relating to providing statutory purposes for tax expenditures”
4 respectfully reports that it has considered the same and recommends that the
5 House propose to the Senate that the bill be amended by striking out all after
6 the enacting clause and inserting in lieu thereof the following:

7 * * * Income, Bank Franchise, Insurance Premium,
8 and Property Taxes * * *

9 Sec. 1. 16 V.S.A. § 2826 is added to read:

10 § 2826. STATUTORY PURPOSES

11 (a) The statutory purpose of the exemption for interest income from
12 Vermont Student Assistance Corporation (VSAC) bonds in section 2825 of
13 this title is to lower the cost of borrowing in order to finance education loan
14 programs.

15 (b) The statutory purpose of the exemption for Vermont Student Assistance
16 Corporation property tax in section 2825 of this title is to allow State
17 instrumentalities that provide financial and information resources for
18 postsecondary education and training to use all of their resources for those
19 purposes.

1 Sec. 2. 30 V.S.A. § 8060(c) is added to read:

2 (a) The statutory purpose of the exemption for Vermont
3 Telecommunications Authority (VTA) bonds and notes in section 8074 of this
4 title is to lower the cost of borrowing in order to finance the expansion of
5 broadband access across the State.

6 Sec. 3. 32 V.S.A. § 5813 is added to read:

7 § 5813. STATUTORY PURPOSES

8 (a) The statutory purpose of the Vermont municipal bond income
9 exemption in subdivision 5811(21)(A)(i) of this title is to lower the cost of
10 borrowing in order to finance State and municipal projects.

11 (b) The statutory purpose of the Vermont flat capital gains exclusion in
12 subdivision 5811(21)(B)(ii) of this title is intended to increase savings and
13 investment by making the effective tax rate on capital gains income lower than
14 the effective tax rate on earned income while exempting a portion of the gain
15 that may represent inflation. The 40-percent business capital gains exclusion
16 mitigates the impact of one-time realizations in a progressive tax structure.

17 (c) The statutory purpose of the Vermont credit for child and dependent
18 care in subsection 5822(d) of this title is to provide financial assistance to
19 employees who must incur dependent care expenses to stay in the workforce in
20 the absence of pre-kindergarten programming.

1 (d) The statutory purpose of the Vermont credit for persons who are elderly
2 or disabled in subsection 5822(d) of this title is to provide financial assistance
3 to seniors and persons who are disabled with little tax-exempt retirement or
4 disability income.

5 (e) The statutory purpose of the Vermont investment tax credit in
6 subsection 5822(d) of this title is to encourage Vermont business investments
7 by lowering the effective costs of certain activities.

8 (f) The statutory purpose of the Vermont farm income averaging credit in
9 subdivision 5822(c)(2) of this title is to mitigate the adverse tax consequences
10 of fluctuating farm incomes under a progressive tax structure and to provide
11 stability to farm operations.

12 (g) The statutory purpose of the exemption for Vermont military pay in
13 subdivisions 5823(a)(2) and (b)(3) of this title is to provide additional
14 compensation for military personnel in recognition of their service to Vermont
15 and to the country.

16 (h) The statutory purpose of the Vermont charitable housing credit in
17 section 5830c of this title is to enable lower capital cost to certain affordable
18 housing charities by restoring some of the forgone investment income through
19 a tax credit to the investor.

20 (i) The statutory purpose of the Vermont affordable housing credit in
21 section 5930u of this title is to increase the capital available to certain

1 affordable housing projects for construction or rehabilitation by attracting
2 up-front private investment.

3 (j) The statutory purpose of the Vermont qualified sale of a mobile home
4 park credit in section 5828 of this title is to encourage sales of mobile home
5 parks to a group composed of a majority of the mobile home park leaseholders,
6 or to a nonprofit organization that represents such a group, and, in doing so, to
7 provide stability to the inhabitants of such mobile home parks.

8 (k) The statutory purpose of the Vermont higher education investment
9 credit in section 5825a of this title is to encourage contributions to Vermont
10 529 plans that would not otherwise occur and to lower the cost of higher
11 education for Vermont students and the Vermont taxpayers who financially
12 support them.

13 (l) The statutory purpose of the Vermont entrepreneurs' seed capital fund
14 credit in section 5830b of this title is to provide incentives for investment in
15 the Seed Capital Fund, ensuring it has sufficient capital to make equity
16 investments in Vermont businesses.

17 (m) The statutory purpose of the Vermont historical rehabilitation tax credit
18 in subsection 5930cc(a) of this title is to provide incentives to improve and
19 rehabilitate historic properties in designated downtowns and village centers.

20 (n) The statutory purpose of the Vermont facade improvement tax credit in
21 subsection 5930cc(b) and sections 5930aa–5930ff of this title is to provide

1 incentives to improve facades and rehabilitate historic properties in designated
2 downtowns and village centers.

3 (o) The statutory purpose of the Vermont code improvement tax credit in
4 subsection 5930cc(c) and sections 5930aa–5930ff of this title is to provide
5 incentives to improve and rehabilitate historic properties in designated
6 downtowns and village centers.

7 (p) The statutory purpose of the Vermont research and development tax
8 credit in section 5930ii of this title is to encourage business investment in
9 research and development within Vermont and to attract and retain
10 intellectual-property-based companies.

11 (q) The statutory purpose of the Vermont downtown tax credits in sections
12 5930n–5930r of this title is to provide incentives to improve and rehabilitate
13 historic properties in designated downtowns and village centers.

14 (r) The statutory purpose of the Vermont low-income child and dependent
15 care tax credit in section 5828c of this title is to provide cash relief to
16 lower-income employees who incur dependent care expenses in certified
17 centers to enable them to remain in the workforce.

18 (s) The statutory purpose of the Vermont earned income tax credit in
19 section 5828b of this title is to provide incentives for low-income working
20 families and individuals and to offset the effect on these Vermonters of
21 conventionally regressive taxes.

1 (t) The statutory purpose of the Vermont machinery and equipment tax
2 credit in section 5930ll of this title is to provide an incentive to make a major,
3 long-term capital investment in Vermont-based plant and property to ensure
4 the continuation of in-state employment.

5 (u) The statutory purpose of the Vermont employment growth incentive in
6 section 5930b of this title is to provide a cash incentive to encourage quality
7 job growth in Vermont.

8 (v) The statutory purpose of the Vermont Downtown and Village Center
9 Program tax credits in section 5930cc of this title is to provide incentives to
10 improve and rehabilitate historic properties in designated downtowns and
11 village centers.

12 * * * Meals and Rooms Taxes and Insurance

13 Premium Taxes * * *

14 Sec. 4. 32 V.S.A. § 9247 is added to read:

15 § 9247. HOSPITAL AND MEDICAL SERVICE CORPORATIONS AND

16 CREDIT UNIONS

17 Notwithstanding 8 V.S.A. §§ 4518, 4590, and 30901, hospital service
18 corporations, medical service corporations, and credit unions shall be subject
19 to the meals and rooms tax. The statutory purpose of the remaining
20 exemptions from 8 V.S.A. § 4518 is to lower the cost of health services to
21 Vermonters. The statutory purpose of the remaining exemptions from

1 8 V.S.A. § 4590 is to lower the cost of health services to Vermonters. The
2 statutory purpose of the remaining exemptions from 8 V.S.A. § 30901 is to
3 affirm the nonprofit, cooperative structure of credit unions.

4 Sec. 5. 32 V.S.A. § 9201 is added to read:

5 § 9201. STATUTORY PURPOSES

6 (a) The statutory purpose of the exemption for Vermont grocery-type items
7 furnished for take-out in subdivision 9202(10)(D)(i) of this title is to limit the
8 cost of goods that are necessary for the health and welfare of all people in
9 Vermont.

10 (b) The statutory purpose of the exemption for Vermont meals served or
11 furnished on the premises of a nonprofit organization in subdivision
12 9202(10)(D)(ii)(I) of this title is to allow more of the revenues generated by
13 certain activities to be dedicated to furthering the public-service missions of
14 the organizations.

15 (c) The statutory purpose of the exemption for Vermont meals provided on
16 school premises in subdivision 9202(10)(D)(ii)(II) of this title is to reduce the
17 overall cost of education in Vermont.

18 (d) The statutory purpose of the exemption for Vermont meals provided at
19 hospitals and convalescent and nursing homes in subdivision
20 9202(10)(D)(ii)(IV) of this title is to reduce the overall costs of health care and
21 senior care in Vermont.

1 (e) The statutory purpose of the exemption for Vermont summer camps for
2 children in subdivision 9202(10)(D)(ii)(VI) of this title is to reduce the cost of
3 summer education and outdoor activities for youth.

4 (f) The statutory purpose of the exemption for Vermont nonprofits at fairs,
5 bazaars, picnics, and similar events in subdivision 9202(10)(D)(ii)(VII) of this
6 title is to allow more of the revenues generated by certain activities to be
7 dedicated to furthering the public-service missions of the organizations.

8 (g) The statutory purpose of the exemption for Vermont meals furnished to
9 an employee of a hotel or restaurant operator as remuneration for his or her
10 employment in subdivision 9202(10)(D)(ii)(VIII) of this title is to avoid the
11 taxation of in-kind benefits.

12 (h) The statutory purpose of the exemption for Vermont meals served on
13 the premises of a continuing care retirement community in subdivision
14 9202(10)(D)(ii)(XI) is to exclude meals prepared in a person's home from
15 taxation.

16 (i) The statutory purpose of the exemption for Vermont student housing in
17 subdivision 9202(8) of this title is to reduce the overall costs of education in
18 Vermont.

19 (j) The statutory purpose of the exemption for Vermont rooms furnished to
20 an employee of a hotel or restaurant operator as remuneration for his or her

1 employment in subdivision 9202(6) of this title is to exclude the taxation of
2 in-kind benefits.

3 (k) The statutory purpose of the exemption for summer camps for children
4 in subdivision 9202(6) of this title is to reduce the cost of summer education
5 and outdoor activities for youth.

6 (l) The statutory purpose of the exemption for Vermont rooms on the
7 premises of a nonprofit in subdivision 9202(3)(C) of this title is to allow more
8 of the revenues generated by certain activities to be dedicated to furthering the
9 public-service missions of the organizations.

10 (m) The statutory purpose of the exemption for Vermont rooms on the
11 premises of a continuing care retirement community in subdivision 9202(3)(D)
12 of this title is to exclude from taxation rooms that are a person's residence.

13 * * * Sales Taxes * * *

14 Sec. 6. 32 V.S.A. § 9706 is added to read:

15 § 9706. STATUTORY PURPOSES

16 (a) The statutory purpose of the exemption for Vermont medical products
17 in subdivision 9741(2) of this title is to lower the cost of medical products in
18 order to support the health and welfare of Vermont residents.

19 (b) The statutory purpose of the exemption for Vermont agricultural inputs
20 in subdivision 9741(3) of this title is to promote Vermont's agricultural
21 economy.

1 (c) The statutory purpose of the exemption for Vermont veterinary supplies
2 in subdivision 9741(3) of this title is to lessen the cost of veterinary services in
3 order to support the health and welfare of Vermont animals.

4 (d) The statutory purpose of the exemption for Vermont fuels for railroads
5 and boats in subdivision 9741(7) of this title is to avoid the taxation of fuels for
6 the types of transportation for which public expenditure on infrastructure is
7 unnecessary.

8 (e) The statutory purpose of the exemption for Vermont sales of food in
9 subdivision 9741(13) of this title is to limit the cost of goods that are necessary
10 for the health and welfare of all people in Vermont.

11 (f) The statutory purpose of the exemption for Vermont newspapers in
12 subdivision 9741(15) of this title is to reduce the cost of access to news and
13 community information for people in Vermont.

14 (g) The statutory purpose of the exemption for rentals of Vermont
15 coin-operated washing facilities in subdivision 9741(19) of this title is to
16 exclude from taxation facilities that are still operated with coins.

17 (h) The statutory purpose of the exemption for Vermont admission fees to
18 nonprofit museums in subdivision 9741(20) of this title is to support the
19 missions of certain nonprofit facilities and encourage higher visitation.

1 (i) The statutory purpose of the exemption for Vermont items sold to fire,
2 ambulance, and rescue squads in subdivision 9741(21) of this title is to limit
3 the tax on organizations charged with protecting the safety of the public.

4 (j) The statutory purpose of the exemption for Vermont funeral charges in
5 subdivision 9741(22) of this title is to lessen the costs accumulated by the
6 bereaved.

7 (k) The statutory purpose of the exemption for Vermont commercial,
8 industrial, or agricultural research tangible personal property use in subdivision
9 9741(24) of this title is to reduce financial barriers to research and innovation
10 in the commercial, industrial, and agricultural industries.

11 (l) The statutory purpose of the exemption for Vermont agricultural
12 machinery and equipment in subdivision 9741(25) of this title is to promote
13 Vermont’s agricultural economy.

14 (m) The statutory purpose of the exemption for Vermont energy purchases
15 for a residence in subdivision 9741(26) of this title is to limit the cost of goods
16 that are necessary for the health and welfare of Vermonters.

17 (n) The statutory purpose of the exemption for Vermont energy purchases
18 for farming in subdivision 9741(27) of this title is to promote Vermont’s
19 agricultural economy.

1 (o) The statutory purpose of the exemption for Vermont sales of films to
2 movie theaters in subdivision 9741(28) of this title is to avoid taxing items that
3 are normally not for permanent use within the State double taxation.

4 (p) The statutory purpose of the exemption for Vermont aircraft and
5 depreciable parts for commercial and private use in subdivision 9741(29) of
6 this title is to promote the growth of the aircraft maintenance industry in
7 Vermont.

8 (q) The statutory purpose of the exemption for Vermont railroad rolling
9 stock and depreciable parts in subdivision 9741(30) of this title is to increase
10 the use of rail for transport.

11 (r) The statutory purpose of the exemption for Vermont ferryboats and
12 depreciable parts in subdivision 9741(31) of this title is to increase the use of
13 ferries for transport.

14 (s) The statutory purpose of the exemption for Vermont sales of mobile
15 homes and modular housing in subdivision 9741(32) of this title is to create
16 equity between mobile and modular housing and traditional residential
17 construction by providing an exemption for the estimated portion of the cost
18 attributable to labor (versus materials).

19 (t) The statutory purpose of the exemption for Vermont the United States
20 flag sold to or by exempt veterans' organizations in subdivision 9741(33) of

1 this title is to support veterans' organizations in performing their traditional
2 functions.

3 (u) The statutory purpose of the exemption for Vermont property
4 transferred as an incidental part of a personal service transaction or transfer of
5 intangible property rights in subdivision 9741(35) of this title is to forgo
6 taxation when the cost of compliance exceeds the revenues.

7 (v) The statutory purpose of the exemption for Vermont advertising
8 materials in subdivision 9741(36) of this title is to exclude tangible personal
9 property from taxation if it is incidental to a small portion of a larger service.
10 OR to forgo taxation when the cost of compliance exceeds the revenues.

11 (w) The statutory purpose of the exemption for Vermont documents that
12 record a professional service in subdivision 9741(37) of this title is to exclude
13 tangible personal property from taxation if it is a small portion of incidental to
14 a service package. OR to forgo taxation when the cost of compliance exceeds
15 the revenues.

16 (x) The statutory purpose of the Vermont tracked vehicles cap in
17 subdivision 9741(38) of this title is to lessen the cost of capital investments.

18 (y) The statutory purpose of the exemption for Vermont sales of building
19 materials in subdivisions 9741(39)(i) and (ii) of this title is to provide
20 incentives to restore and revitalize downtown districts.

1 (z) The statutory purpose of the exemption for Vermont third party scrap
2 construction materials in subdivision 9741(43) of this title is to promote the
3 reuse and recycling of scrap construction materials.

4 (aa) The statutory purpose of the exemption for Vermont property
5 incorporated in a railroad line in subdivision 9741(44) of this title is to increase
6 the use of rail for transport by lowering the costs of materials.

7 (bb) The statutory purpose of the exemption for Vermont clothing and
8 footwear in subdivision 9741(45) of this title is to limit the tax burden on the
9 purchase of goods that are necessary for the health and welfare of all people in
10 Vermont.

11 (cc) The statutory purpose of the exemptions for Vermont property
12 incorporated into a net metering system, on-premise energy systems not
13 connected to the electric distribution system, and solar hot water heating
14 systems in subdivision 9741(46) of this title are to increase the deployment of
15 solar electric generating technologies until the price of solar materials and
16 installation decreases to the point it does not need State subsidization.

17 (dd) The statutory purpose of the exemption for Vermont purchases by and
18 limited purchases from 501(c)(3) organizations in subdivision 9743(3) of this
19 title is to reduce costs for certain nonprofit organizations in order to allow them
20 to dedicate more of their financial resources to furthering the public-service
21 missions of the organizations.

1 (ee) The statutory purpose of the exemption for Vermont building materials
2 and supplies used in construction or repair of buildings by governmental
3 bodies, 501(c)(3) organizations, or development corporations in subdivision
4 9743(4) of this title is to reduce the costs of construction for certain nonprofit
5 organizations in order to allow them to dedicate more financial resources to
6 their public-service missions.

7 (ff) The statutory purpose of the exemption for Vermont amusement
8 charges for four events per year for 501(c)(4)–(13) and (19) organizations and
9 political organizations in subdivision 9743(5) of this title is to reduce the costs
10 for and encourage participation in a limited number of events organized by
11 certain nonprofit organizations in order to allow these organizations to dedicate
12 more financial resources to their public-service missions.

13 (gg) The statutory purpose of the exemption for Vermont amusement
14 charges for events presented by 501(c)(3) organizations in subdivision 9743(7)
15 of this title is to reduce the costs for and encourage participation in fundraising
16 events organized by certain nonprofit organizations in order to allow these
17 organizations to dedicate more financial resources to their public-service
18 missions.

19 (hh) The statutory purpose of the Vermont reallocation of receipts from tax
20 imposed on sales of construction materials in section 9819 of this title is to

1 provide incentives to restore and revitalize certain properties in designated
2 downtown districts.

3 (ii) The statutory purpose of the exemption for Vermont sales by licensed
4 auctioneers in subdivision 9741(48) of this title is to extend the “casual sale”
5 exemption to sales involving an auctioneer selling on behalf of a third party.

6 * * * Property Taxes * * *

7 Sec. 7. 10 V.S.A. § 210 is added to read:

8 § 210. STATUTORY PURPOSES

9 The statutory purpose of the exemption for Vermont local development
10 corporations in section 236 of this title is to promote economic development.

11 Sec. 8. 10 V.S.A. § 602 is added to read:

12 § 602. STATUTORY PURPOSES

13 The statutory purpose of the exemption for the Vermont Housing Finance
14 Agency in subsection 641(a) of this title is to provide and promote affordable
15 housing.

16 Sec. 9. 16 V.S.A. § 2170 is added to read:

17 § 2170. STATUTORY PURPOSES

18 The statutory purpose of the exemption for the Vermont State Colleges in
19 section 2178 of this title is to allow institutions providing higher education to
20 deploy more of their financial resources to their educational missions by
21 lowering their tax expenses.

1 Sec. 10. 16 App. V.S.A. § 1-15a is added to read:

2 § 1-15a. STATUTORY PURPOSES

3 The statutory purpose of the exemption for the University of Vermont in
4 section 1-15 of this chapter is to allow institutions providing higher education
5 to deploy more of their financial resources to their educational missions by
6 lowering their tax expenses.

7 Sec. 11. 18 V.S.A. § 5300 is added to read:

8 § 5300. STATUTORY PURPOSES

9 The statutory purpose of the exemption for Vermont cemeteries in sections
10 5317 and 5376 of this title is to lower the cost of establishing and maintaining
11 cemeteries.

12 Sec. 12. 22 V.S.A. § 68 is added to read:

13 § 68. STATUTORY PURPOSES

14 The statutory purpose of the exemption for Vermont libraries in section 109
15 of this title is to aid libraries in offering free and public access to information
16 and research resources.

17 Sec. 13. 24 V.S.A. § 4000 is added to read:

18 § 4000. STATUTORY PURPOSES

19 The statutory purpose of the exemption for Vermont housing authorities in
20 section 4020 of this title is to promote, provide, and preserve affordable
21 housing.

1 Sec. 14. 32 V.S.A. § 3750 is added to read:

2 § 3750. STATUTORY PURPOSES

3 The statutory purpose of the Vermont Use Value Appraisal Program in
4 chapter 124 of this title is to preserve the working landscape and the rural
5 character of Vermont.

6 Sec. 15. 32 V.S.A. § 3800 is added to read:

7 § 3800. STATUTORY PURPOSES

8 (a) The statutory purpose of the exemption for congressionally chartered
9 organizations in subdivision 3802(2) of this title is to support certain
10 organizations with a patriotic, charitable, historical, or educational purpose.

11 (b) The statutory purpose of the exemption for Vermont public, pious, and
12 charitable property in sections 3832 and 3840 and subdivision 3802(4) of this
13 title is to allow these organizations to dedicate more of their financial resources
14 to furthering their public-service missions.

15 (c) The statutory purpose of the exemption for Vermont college fraternities
16 and societies in subdivision 3802(5) of this title is to promote civic services.

17 (d) The statutory purpose of the exemption for Young Men's and Women's
18 Christian Associations in subdivision 3802(6) of this title is to allow these
19 organizations to dedicate more of their financial resources to furthering their
20 public-service missions.

1 (e) The statutory purpose of the exemption for Vermont cemeteries in
2 subdivision 3802(7) of this title is to lower the cost of establishing and
3 maintaining cemeteries.

4 (f) The statutory purpose of the exemption for Vermont for property owned
5 by agricultural societies in subdivision 3802(9) of this title is to lower the cost
6 of public access to agricultural events.

7 (g) The statutory purpose of the exemption for \$10,000.00 of appraised
8 value of a residence for a veteran in subdivision 3802(11) of this title is to
9 recognize disabled veterans' service to Vermont and to the country.

10 (h) The statutory purpose of the exemption for Vermont property
11 exclusively installed and operated for the abatement of water pollution in
12 subdivision 3802(12) of this title is to encourage real property improvements
13 that abate water pollution by nonpublic entities that would not qualify for an
14 exemption as a government entity.

15 (i) The statutory purpose of the exemption for Vermont humane societies in
16 section 3802(15) of this title is to lower operating costs for organizations that
17 protect animals to allow them to dedicate more of their financial resources to
18 furthering their public-service missions.

19 (j) The statutory purpose of the exemption for federally qualified health
20 centers or rural health clinics in subdivision 3802(16) of this title is to support
21 health centers that serve an underserved area or population, offer a sliding fee

1 scale, provide comprehensive services, and have an ongoing quality assurance
2 program.

3 (k) The statutory purpose of the Vermont railroad property alternative tax
4 method in subdivision 3803(1) of this title is to provide an alternative to the
5 traditional valuation method of applying the education property tax rate in
6 order to achieve consistency across municipalities.

7 (l) The statutory purpose of the Vermont telephone property alternative tax
8 method referenced in subdivision 3803(2) of this title is to provide an
9 alternative to the traditional valuation method of applying the education
10 property tax rate in order to achieve consistency across municipalities.

11 (m) The statutory purpose of the exemptions in Vermont permanent session
12 law in 2008 Acts and Resolves No. 190, 1892 Acts and Resolves No. 213,
13 1945 Acts and Resolves No. 204, 1939 Acts and Resolves No. 250, 1921 Acts
14 and Resolves No. 31, 1921 Acts and Resolves No. 262, 1910 Acts and
15 Resolves No. 370, and 1900 Acts and Resolves No. 244 is to provide relief to
16 specific properties that have demonstrated an individual purpose to the General
17 Assembly.

1 Sec. 16. 32 V.S.A. § 5400 is added to read:

2 § 5400. STATUTORY PURPOSES

3 (a) The statutory purpose of the exemption for Vermont whey processing
4 fixtures in subdivision 5401(10)(G) of this title is to support industries using
5 whey processing facilities to convert waste into value-added products.

6 (b) The statutory purpose of the exemption for Vermont municipalities
7 hosting large power plants in subsection 5402(d) of this title is to compensate
8 businesses and residents of the community hosting a nuclear power facility.

9 (c) The statutory purpose of the exemption for Vermont qualified housing
10 in subdivision 5404a(a)(6) of this title is to reduce by 10 percent the
11 assessment value on housing units with rent restrictions that make recognize
12 the difficulty of valuing these properties using the non-homestead income
13 approach difficult and to ensure that taxes on this rent restricted housing
14 provided to low- and moderate-income Vermonters are more equivalent to
15 property taxed using the State homestead rate and to adjust the costs of
16 investment in rent restricted housing to reflect more accurately the revenue
17 potential of such property.

18 (d) The statutory purpose of the Vermont tax increment financing districts
19 scheme in subsection 5404a(f) of this title is to allow communities to
20 encourage investment and improvements that would not otherwise occur and to

1 use locally the additional property tax revenue attributable to those investments
2 to pay off the debt incurred to construct the improvements.

3 (e) The statutory purpose of the Vermont Economic Progress Council
4 approved stabilization agreements in section 5404a of this title are is to provide
5 exemptions on a case-by-case basis in conjunction with other economic
6 development efforts in order to facilitate economic development that would not
7 otherwise occur.

8 (f) The statutory purpose of the Vermont large power plants alternative tax
9 scheme method in subdivision 5401(10)(B) of this title is to provide an
10 alternative to the traditional valuation method of applying the education
11 property tax rate in order to achieve consistent valuation across municipalities
12 for a unique property.

13 (g) The statutory purpose of the Vermont wind-powered electric generating
14 facilities alternative tax scheme in subdivision 5401(10)(J)(i) of this title is to
15 provide an alternative to the traditional valuation method of applying the
16 education property tax rate in order to achieve consistent valuation across
17 municipalities.

18 (h) The statutory purpose of the Vermont renewable energy plant
19 generating electricity from solar power alternative tax structure in subdivision
20 5401(10)(J)(ii) is to provide an alternative to the traditional valuation method

1 of applying the education property tax rate in order to achieve consistent
2 valuation across municipalities.

3 Sec. 17. 32 V.S.A. § 6060 is added to read:

4 § 6060. STATUTORY PURPOSES

5 (b) The statutory purpose of the Vermont \$10,000.00 exemption of
6 appraised value of a residence for a veteran in subsection 6066(i) of this title is
7 to permanently provide property tax reductions to households that include a
8 recognize disabled veterans' in recognition of his or her service to Vermont
9 and to the country.

10 * * * Insurance Premium Taxes * * *

11 Sec. 17. 8 V.S.A. § 3700 is added to read:

12 § 3700. STATUTORY PURPOSES

13 The statutory purpose of the exemption for Vermont annuity considerations
14 in section 3718 of this title is to avoid reciprocity from other states.

15 Sec. 18. 8 V.S.A. § 4460 is added to read:

16 § 4460. STATUTORY PURPOSES

17 The statutory purpose of the exemption for Vermont fraternal societies in
18 section 4500 of this title is to support benevolent societies that provide benefits
19 to members and to the community.

1 (d) The statutory purpose of the Internal Revenue Code § 351 exemption in
2 subdivision 8911(10) of this title is to limit the tax to transfers of ownership
3 between two distinct parties.

4 (e) The statutory purpose of the exemption for Vermont handicapped
5 persons with disabilities in subdivision 8911(12) of this title is to lessen the
6 cost of purchasing a vehicle that has been modified to meet the physical needs
7 of a qualifying Vermonter.

8 (f) The statutory purpose of the exemption for Vermont veterans in
9 subdivision 8911(14) of this title is to remove every cost to a qualifying
10 veteran of receiving a vehicle granted by the Veterans' Administration.

11 (g) The statutory purpose of the Vermont general exemption of trade-in
12 value in subdivisions 8902(4) and (5) of this title is to ensure the use value of a
13 vehicle is taxed only once.

14 * * * Tax Expenditure Report * * *

15 Sec. 21. 32 V.S.A. § 312 is amended to read:

16 § 312. TAX EXPENDITURE REPORT

17 (a) As used in this section, “tax expenditure” shall mean the actual or
18 estimated loss in tax revenue resulting from any exemption, exclusion,
19 deduction, ~~or~~ credit, preferential rate, or deferral of liability applicable to the
20 tax. Tax expenditures shall not include the following:

21 (1) revenue outside the taxing power of the State;

1 (2) provisions outside the normal structure of a particular tax, or taxed
2 under an alternative tax structure;

3 (3) revenue forgone as unduly burdensome to administer; and

4 (4) for the purpose of avoiding government taxing itself.

5 (b) Tax expenditure reports. Biennially, as part of the budget process,
6 beginning January 15, 2009, the Department of Taxes and the Joint Fiscal
7 Office shall file with the House Committees on Ways and Means and on
8 Appropriations and the Senate Committees on Finance and on Appropriations
9 a report on tax expenditures in the personal and corporate income taxes, sales
10 and use tax, and meals and rooms tax, insurance premium tax, bank franchise
11 tax, education property tax, diesel fuel tax, gasoline tax, motor vehicle
12 purchase and use tax, ~~and such other tax expenditures for which the Joint~~
13 ~~Fiscal Office and the Department of Taxes jointly have produced revenue~~
14 ~~estimates.~~ The Office of Legislative Council shall also be available to assist
15 with this tax expenditure report. The report shall include, for each tax
16 expenditure, the following information:

17 (1) ~~A~~ a description of the tax expenditure;:

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

20 (3) ~~The~~ the date of enactment of the expenditure;:

