

1 TO THE HONORABLE SENATE:

2 The Committee on Finance 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 bill be amended by striking out all after the enacting clause and inserting in  
6 lieu thereof the following:

7 \* \* \* Income, Bank Franchise, and Insurance Premium Taxes \* \* \*

8 Sec. 1. 16 V.S.A. § 2820 is added to read:

9 § 2820. STATUTORY PURPOSES

10 The statutory purpose of the interest income from Vermont Student  
11 Assistance Corporation (VSAC) bonds exemption in section 2825 of this title  
12 is to provide VSAC sufficient access to capital by increasing the effective  
13 return on investment of their bond issuances.

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

15 (c) The statutory purpose of the Vermont Telecommunications Authority  
16 (VTA) bonds and notes exemption in section 8074 of this title is to provide the  
17 VTA sufficient access to capital by increasing the effective return on  
18 investment of their bond issuances.

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

20 § 5813. STATUTORY PURPOSES

1 (a) The statutory purpose of the Vermont municipal bond income exemption  
2 in subdivision 5811(21)(A)(i) of this title is to provide the state and its  
3 municipalities sufficient access to capital by increasing the effective return on  
4 investment of State and municipal-issued bonds.

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

11 (c) The statutory purpose of the Vermont credit for child and dependent care  
12 in subsection 5822(d) of this title is to provide tax relief to working taxpayers  
13 who must incur dependent care expenses to stay in the workforce in the  
14 absence of pre-Kindergarten programming.

15 (d) The statutory purpose of the Vermont credit for persons who are elderly or  
16 disabled in subsection 5822(d) of this title is to provide tax relief for seniors  
17 and persons who are disabled with little tax-exempt retirement or disability  
18 income.

19 (e) The statutory purpose of the Vermont investment tax credit in subsection  
20 5822(d) of this title is to encourage Vermont business investments by lowering  
21 the effective costs of certain activities.

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

5 (g) The statutory purpose of the Vermont business solar energy credit in  
6 subsection 5822(d) and section 5930z of this title is to provide a temporary,  
7 enhanced incentive for business solar investments located in Vermont to  
8 increase the deployment of solar electric generating facilities until the price of  
9 solar materials and installation decreases to the point it does not need state  
10 subsidization.

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

15 (i) The statutory purpose of the Vermont federal employment opportunity  
16 income exemption in subdivision 5823(a)(5) of this title is to decrease the tax  
17 burden on employment-challenged Vermonters by reducing the taxation of  
18 people who receive federal employment opportunity income and reduce the  
19 cost to government of providing this assistance.

20 (j) The statutory purpose of the Vermont charitable housing credit in section  
21 5830c of this title is to increase the capital available to certain affordable

1 housing agencies and to make the effective return on investment relatively  
2 higher than typical charitable contributions.

3 (k) The statutory purpose of the Vermont affordable housing credit in section  
4 5930u of this title is to increase the capital available to certain affordable  
5 housing agencies and to make the effective return on investment relatively  
6 higher than typical charitable contributions.

7 (l) The statutory purpose of the Vermont qualified sale of a mobile home park  
8 credit in section 5828 of this title is to encourage sales of mobile home parks as  
9 an alternative to closure, and, in doing so, to provide stability to the inhabitants  
10 of such mobile home parks.

11 (m) The statutory purpose of the Vermont higher education investment credit  
12 in section 5825a of this title is to encourage savings Vermont 529 plans that  
13 would not otherwise occur and to lower the cost of higher education for  
14 Vermont students and/or the taxpaying financial supporters of those students.

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

19 (o) The statutory purpose of the Vermont historical rehabilitation tax credit in  
20 subsection 5930cc(a) of this title is to provide incentives to improve and

1 rehabilitate historic properties in designated downtowns and village centers,  
2 which feature higher than average construction costs.

3 (p) The statutory purpose of the Vermont facade improvement tax credit in  
4 subsection 5930cc(b) and sections 5930aa–5930ff of this title is to provide  
5 incentives to improve facades and rehabilitate historic properties in designated  
6 downtowns and village centers on the basis that historic facades feature higher  
7 than average construction costs.

8 (q) The statutory purpose of the Vermont code improvement tax credit in  
9 subsection 5930cc(c) and sections 5930aa–5930ff of this title is to provide  
10 incentives to improve and rehabilitate historic properties in designated  
11 downtowns and village centers by making code improvements on the basis that  
12 code improvements feature higher than average construction costs.

13 (r) The statutory purpose of the Vermont research and development tax credit  
14 in section 5930ii of this title is to encourage business investment in research  
15 and development within Vermont in order to increase research and  
16 development and to attract and retain intellectual property based companies.

17 (s) The statutory purpose of the Vermont wood products manufacture credit in  
18 section 5930y of this title is to provide the Ethan Allen furniture company a tax  
19 incentive in lieu of an appropriation.

20 (t) The statutory purpose of the Vermont economic advancement tax incentive  
21 credits in section 5930a-5930k of this title is to allow Vermont to compete with

1 other states that have offered tax savings and cash benefits as a tool to recruit  
2 and retain businesses.

3 (u) The statutory purpose of the Vermont downtown tax credits in sections  
4 5930n–5930r of this title is to provide incentives to improve and rehabilitate  
5 historic properties in designated downtowns and village centers on the basis  
6 that development in downtowns and villages features higher than average  
7 construction costs, and to incentivize building in environmentally preferable  
8 locations.

9 (v) The statutory purpose of the Vermont low-income child and dependent  
10 care credit in section 5828c of this title is to provide cash relief to lower-  
11 income working taxpayers who incur dependent care expenses in certified  
12 centers to enable them to remain in the workforce.

13 (w) The statutory purpose of the Vermont earned income tax credit in section  
14 5828b of this title is to increase the after-tax income of low-income working  
15 families and individuals and to provide an incentive to work for those with  
16 little earned income and to offset the effect on these Vermonters of  
17 conventionally regressive taxes.

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

1 (y) The statutory purpose of the Vermont employment growth incentive in  
2 section 5930b of this title is to provide a cash incentive to businesses without  
3 which those businesses would not locate, expand or retain jobs in Vermont.

4 (z) The statutory purpose of the Vermont Downtown and Village Center  
5 Program tax credits in section 5930cc of this title is to provide incentives to  
6 improve and rehabilitate historic properties in designated downtowns and  
7 village centers.

8 (aa) The statutory purpose of allowing federal itemized deductions and other  
9 federal expenditures between federal adjusted gross income and federal taxable  
10 income, as listed in the report required by 32 V.S.A. § 312, is to reflect  
11 Vermont's choice to use federal taxable income as a base for Vermont's state  
12 income tax.

13 \* \* \* Meals and Rooms Taxes and Insurance Premium Taxes \* \* \*

14 Sec. 4. 8 V.S.A. § 4510 is added to read:

15 § 4510. STATUTORY PURPOSES

16 (a) The statutory purpose of the Vermont meals provided for nonprofit  
17 hospital service corporations exemption in section 4518 of this title is to  
18 exempt from tax meals provided as part of a hospital or health care service.

19 (b) The statutory purpose of the Vermont rooms provided to nonprofit hospital  
20 service corporations exemption in section 4518 of this title is to exclude rooms  
21 that are a part of a medical service.

1 (c) The statutory purpose of the Vermont sales to nonprofit hospital service  
2 corporations exemption in section 4518 of this title is to exempt nonprofit  
3 hospitals providing health care services in order to lower the cost of welfare-  
4 increasing health services to Vermonters.

5 (d) The statutory purpose of the Vermont nonprofit hospital service  
6 corporations premium exemption in section 4518 of this title is to exempt  
7 nonprofit companies that provide health care insurance coverage.

8 (e) The statutory purpose of the Vermont hospital service organizations  
9 property tax exemption in section 4518 of this title is to exempt nonprofit  
10 companies that provide health care insurance coverage.

11 Sec. 5. 8 V.S.A. § 4580 is added to read:

12 § 4580. STATUTORY PURPOSES

13 (a) The statutory purpose of the Vermont meals provided to nonprofit medical  
14 service corporations exemption in section 4590 of this title is to exclude meals  
15 provided by nonprofit health insurance companies.

16 (b) The statutory purpose of the Vermont rooms provided to nonprofit medical  
17 service corporations exemption in section 4590 of this title is to reduce costs  
18 for certain nonprofit organizations.

19 (c) The statutory purpose of the Vermont sales to nonprofit medical service  
20 corporations exemption in section 4590 of this title is to exempt Blue Cross

1 Blue Shield from sales tax in order to lower the costs of services to  
2 policyholders.

3 (d) The statutory purpose of the Vermont nonprofit medical service  
4 corporations premium exemption in section 4590 of this title is to exempt  
5 nonprofit companies that provide health care insurance coverage.

6 (e) The statutory purpose of the Vermont hospital and medical service  
7 organizations property tax exemption in section 4590 of this title is to exempt  
8 nonprofit companies that provide health care insurance coverage.

9  
10 Sec. 6. 8 V.S.A. § 30102 is added to read:

11 § 30102. STATUTORY PURPOSES

12 (a) The statutory purpose of the Vermont meals provided for credit unions  
13 exemption in section 30901 of this title is to lessen the taxes on financial  
14 institutions that provide banking to underserved populations.

15 (b) The statutory purpose of the Vermont rooms provided to credit unions  
16 exemption in section 30901 of this title is to lessen the taxes on financial  
17 institutions that provide banking to under-served populations.

18 (c) The statutory purpose of the Vermont sales to credit unions exemption in  
19 section 30901 of this title is to lessen the taxes on financial institutions that  
20 provide banking to underserved populations.

1 (d) The statutory purpose of the Vermont credit union tax on deposits  
2 exemption in section 30901 of this title is to subsidize financial services for  
3 individuals with low and moderate incomes and in underserved communities.

4 Sec. 7. 32 V.S.A. § 9201 is added to read:

5 § 9201. STATUTORY PURPOSES

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

10 (b) The statutory purpose of the Vermont meals served or furnished on the  
11 premises of a nonprofit organization exemption in subdivision  
12 9202(10)(D)(ii)(I) of this title is to reduce costs for nonprofit organizations.

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

16 (d) The statutory purpose of the Vermont or federal institutions premises  
17 where meals are provided to inmates and employees exemption in subdivision  
18 9202(10)(D)(ii)(III) of this title is to prevent the taxation of entities that are  
19 funded by taxpayers.

20 (e) The statutory purpose of the Vermont meals provided at hospitals and  
21 convalescent and nursing homes exemption in subdivision 9202(10)(D)(ii)(IV)

1 of this title is to reduce the overall costs of health care and senior care in  
2 Vermont.

3 (f) The statutory purpose of the Vermont meals furnished while transporting  
4 passengers for hire on train, bus, or airplane exemption in subdivision  
5 9202(10)(D)(ii)(V) of this title is to reduce the administrative costs for transit  
6 companies providing interstate travel services.

7 (g) The statutory purpose of the Vermont summer camp for children  
8 exemption in subdivision 9202(10)(D)(ii)(VI) of this title is to promote  
9 Vermont outdoor education for youth.

10 (h) The statutory purpose of the Vermont nonprofits at fairs, bazaars, picnics,  
11 and similar events exemption in subdivision 9202(10)(D)(ii)(VII) of this title is  
12 to reduce costs for certain nonprofit organizations.

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

17 (j) The statutory purpose of the Vermont meals provided to the elderly  
18 pursuant to the Older Americans Act exemption in subdivision  
19 9202(10)(D)(ii)(IX) of this title is to exempt from tax government provided  
20 meals.

- 1 (k) The statutory purpose of the Vermont meals purchased with food stamps  
2 exemption in subdivision 9202(10)(D)(ii)(X) of this title is to exempt from tax  
3 meals paid for with government funds.
- 4 (l) The statutory purpose of the Vermont meals served on the premises of a  
5 continuing care retirement community exemption in subdivision  
6 9202(10)(D)(ii)(XI) is to exempt from the tax meals prepared in a person's  
7 home.
- 8 (m) The statutory purpose of the Vermont time share rights exemption in  
9 subdivision 9202(8) of this title is to avoid double taxation on holdings that are  
10 subject to property taxes.
- 11 (n) The statutory purpose of the Vermont student housing exemption in  
12 subdivision 9202(8) of this title is to reduce the overall costs of education in  
13 Vermont.
- 14 (o) The statutory purpose of the Vermont permanent residents exemption in  
15 subdivisions 9202(6) and (7) of this title is to treat long-term hotel guests as  
16 permanent residents of the State for purposes of administrating the rooms tax.
- 17 (p) The statutory purpose of the Vermont rooms furnished to an employee of a  
18 hotel or restaurant operator as remuneration for his or her employment  
19 exemption in subdivision 9202(6) of this title is to exclude the taxation of in-  
20 kind benefits.

1 (q) The statutory purpose of the summer camp for children exemption in  
2 subdivision 9202(6) of this title is to promote Vermont outdoor education for  
3 youth.

4 (r) The statutory purpose of the Vermont hospital, sanatorium, convalescent  
5 home, nursing home, or home for the aged room charges exemption in  
6 subdivision 9202(3)(A) of this title is to exclude rooms that are a person's  
7 residence.

8 (s) The statutory purpose of the Vermont State or United States operated  
9 establishment room charges exemption in subdivision 9202(3)(B) of this title is  
10 to abide by the requirement that states will not tax the federal government and  
11 to avoid the instance of the State taxing itself.

12 (t) The statutory purpose of the Vermont rooms on the premises of a nonprofit  
13 exemption in subdivision 9202(3)(C) of this title is to reduce costs for certain  
14 nonprofit organizations.

15 (u) The statutory purpose of the Vermont rooms on the premises of a  
16 continuing care retirement community exemption in subdivision 9202(3)(D) of  
17 this title is to exclude rooms that are a person's residence.

18 \* \* \* Sales Taxes \* \* \*

19 Sec. 8. 32 V.S.A. § 9706 is added to read:

20 § 9706. STATUTORY PURPOSES

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

4 (b) The statutory purpose of the Vermont agricultural inputs exemption in  
5 subdivision 9741(3) of this title is to lessen the costs for the agricultural  
6 industry, and to avoid taxing inputs in favor of taxing the end product, thus  
7 avoiding double taxation.

8 (c) The statutory purpose of the Vermont veterinary supplies exemption in  
9 subdivision 9741(3) of this title is to lessen the cost of veterinary services  
10 associated with productive animals to the agricultural industry.

11 (d) The statutory purpose of the Vermont nonbusiness, casual sales exemption  
12 in subdivision 9741(4) of this title is to prevent the occasional sale and re-sale  
13 of personal property by individuals not engaged as merchants from being  
14 subjected to the tax.

15 (e) The statutory purpose of the Vermont fuels for railroads and boats  
16 exemption in subdivision 9741(7) of this title is to avoid the taxation of fuels  
17 for the types of transportation for which public expenditure on infrastructure is  
18 unnecessary.

19 (f) The statutory purpose of the Vermont sales of food exemption in  
20 subdivision 9741(13) of this title is to limit the taxes on the purchase of goods  
21 that are necessary for the health and welfare of all people in Vermont.

- 1     (g) The statutory purpose of the Vermont manufacturers’ material and  
2     equipment exemption in subdivision 9741(14) of this title is to avoid tax  
3     pyramiding on goods and encourage investments in equipment by  
4     manufacturing entities.
- 5     (h) The statutory purpose of the Vermont newspapers exemption in  
6     subdivision 9741(15) of this title is to reduce the financial costs of building an  
7     informed citizenry.
- 8     (i) The statutory purpose of the Vermont packaging and shipping materials  
9     exemption in subdivision 9741(16) of this title is to prevent tax pyramiding by  
10    excluding inputs into business production and distribution.
- 11    (j) The statutory purpose of the Vermont rented furniture for residential use  
12    exemption in subdivision 9741(17) of this title is to limit sales taxes on items  
13    that are not being sold in order to avoid double taxation.
- 14    (k) The statutory purpose of the Vermont municipal, State, and federal  
15    recreation facilities admission exemption in subdivision 9741(18) of this title is  
16    to exempt from tax a state charge for an entrance or admission to avoid  
17    layering a sales tax on top of publicly financed amenities.
- 18    (l) The statutory purpose of the Vermont rentals of coin-operated washing  
19    facilities exemption in subdivision 9741(19) of this title is to exempt coin-  
20    operated washing facilities on the basis that these facilities are the equivalent  
21    of a service.

1 (m) The statutory purpose of the Vermont admission fees to nonprofit  
2 museums exemption in subdivision 9741(20) of this title is to support the  
3 missions of certain nonprofit facilities and encourage higher visitation.

4 (n) The statutory purpose of the Vermont items sold to fire, ambulance, and  
5 rescue squads exemption in subdivision 9741(21) of this title is to limit the tax  
6 on organizations charged with protecting the safety of the public.

7 (o) The statutory purpose of the Vermont funeral charges exemption in  
8 subdivision 9741(22) of this title is to lessen the costs accumulated by the  
9 bereaved.

10 (p) The statutory purpose of the Vermont commercial, industrial, or  
11 agricultural research property use exemption in subdivision 9741(24) of this  
12 title is to reduce financial barriers to research and innovation in the  
13 commercial, industrial, and agricultural industries in order to increase these  
14 activities.

15 (q) The statutory purpose of the Vermont agricultural machinery and  
16 equipment exemption in subdivision 9741(25) of this title is to avoid tax  
17 pyramiding of agricultural products.

18 (r) The statutory purpose of the Vermont energy purchases for a residence  
19 exemption in subdivision 9741(26) of this title is to limit the tax on the  
20 purchase of goods that are necessary for the health and welfare of all people in  
21 Vermont.

- 1     (s) The statutory purpose of the Vermont energy purchases for farming  
2     exemption in subdivision 9741(27) of this title is to avoid tax pyramiding of  
3     agricultural products.
- 4     (t) The statutory purpose of the Vermont sales of films to movie theaters  
5     exemption in subdivision 9741(28) of this title is to avoid tax on items that are  
6     normally not for permanent use within the State.
- 7     (u) The statutory purpose of the Vermont aircraft and depreciable parts for  
8     commercial use exemption in subdivision 9741(29) of this title is to promote  
9     the growth of the aircraft maintenance industry in Vermont by lowering the  
10    cost of parts and equipment relative to other states with private airplane  
11    maintenance facilities .
- 12    (v) The statutory purpose of the Vermont railroad rolling stock and  
13    depreciable parts exemption in subdivision 9741(30) of this title is to increase  
14    the use of rail for transport by lowering the costs of maintenance.
- 15    (w) The statutory purpose of the Vermont ferryboats and depreciable parts  
16    exemption in subdivision 9741(31) of this title is to increase the use of ferry  
17    for transport by lowering the costs of maintenance.
- 18    (x) The statutory purpose of the Vermont sales of mobile homes and modular  
19    housing exemption in subdivision 9741(32) of this title is to create equity  
20    between mobile and modular housing and traditional residential construction

1 by providing an exemption for the estimated portion of the cost attributable to  
2 labor (versus materials).

3 (y) The statutory purpose of the Vermont United States flag sold to or by  
4 exempt veterans' organizations exemption in subdivision 9741(33) of this title  
5 is to support veterans' organizations in performing their traditional functions.

6 (z) The statutory purpose of the Vermont energy used in manufacturing  
7 tangible personal property for sale exemption in subdivision 9741(34) of this  
8 title is to avoid the taxation of manufacturing inputs and the pyramiding of  
9 taxes on goods produced in state.

10 (aa) The statutory purpose of the Vermont property transferred as part of  
11 personal service transaction or transfer of intangible property rights exemption  
12 in subdivision 9741(35) of this title is to exempt tangible personal property that  
13 is a small portion of a service because the cost of compliance exceeds the  
14 revenues.

15 (bb) The statutory purpose of the Vermont advertising materials exemption in  
16 subdivision 9741(36) of this title is to exempt tangible personal property if it is  
17 a small portion of a larger service.

18 (cc) The statutory purpose of the Vermont documents that record a  
19 professional service exemption in subdivision 9741(37) of this title is to  
20 exempt tangible personal property that is a small portion of a service package.

- 1     (dd) The statutory purpose of the Vermont tracked vehicles exemption in  
2     subdivision 9741(38) of this title is to limit the sales tax on tracked vehicles  
3     (i.e. construction vehicles such as bulldozers) in order to lessen the cost of  
4     capital investments facilitated by those tracked vehicles.
- 5     (ee) The statutory purpose of the Vermont sales of building materials  
6     exemption in subdivisions 9741(39)(i) and (ii) of this title is to encourage the  
7     restoration and revitalization of downtown districts.
- 8     (ff) The statutory purpose of the Vermont wholesale transactions between  
9     telecommunications service providers exemption in subdivision 9741(41) of  
10    this title is to avoid taxation of inputs and intercompany transactions in order to  
11    avoid double taxation.
- 12    (gg) The statutory purpose of the Vermont third party scrap construction  
13    materials exemption in subdivision 9741(43) of this title is to promote the  
14    reuse and recycling of scrap construction materials.
- 15    (hh) The statutory purpose of the Vermont property incorporated in a railroad  
16    line exemption in subdivision 9741(44) of this title is to increase the use of rail  
17    for transport by lowering the costs of materials.
- 18    (ii) The statutory purpose of the Vermont clothing and footwear exemption in  
19    subdivision 9741(45) of this title is to limit the tax burden on the purchase of  
20    goods that are necessary for the health and welfare of all people in Vermont.

1 (jj) The statutory purpose of the Vermont property incorporated into a net  
2 metering system exemption, on-premise energy system not connected to the  
3 electric distribution system exemption, and solar hot water heating system  
4 exemption in subdivision 9741(46) of this title is to encourage the adoption of  
5 efficient technologies for generating and distributing renewable energy  
6 resources.

7 (kk) The statutory purpose of the Vermont purchases by and limited purchases  
8 from 501(c)(3) organizations exemption in subdivision 9743(3) of this title is  
9 to reduce costs for certain nonprofit organizations in order to allow them to  
10 dedicate more of their financial resources to furthering their public-serving  
11 missions.

12 (ll) The statutory purpose of the Vermont building materials and supplies used  
13 in construction or repair of buildings by governmental bodies, 501(c)(3)  
14 organizations, or development corporations exemption in subdivision 9743(4)  
15 of this title is to reduce the costs of construction for certain nonprofit  
16 organizations in order to allow them to dedicate more of their financial  
17 resources to furthering their public-serving missions.

18 (mm) The statutory purpose of the Vermont amusement charges for four  
19 events per year for 501(c)(4)–(13) and (19) organizations and political  
20 organizations exemption in subdivision 9743(5) of this title is to reduce the  
21 costs for and encourage participation in a limited number of events organized

1 by certain nonprofit organizations in order to allow them to dedicate more of  
2 their financial resources to furthering their public-serving missions.

3 (nn) The statutory purpose of the Vermont amusement charges for events  
4 presented by 501(c)(3) organizations in subdivision 9743(7) of this title is to  
5 reduce the costs for and encourage participation in fundraising events  
6 organized by certain nonprofit organizations in order to allow them to dedicate  
7 more of their financial resources to furthering their public-serving missions.

8 (oo) The statutory purpose of the Vermont limitation of tax on  
9 telecommunications services in section 9771a of this title is to promote the  
10 growth of telecommunications intensive businesses.

11 (pp) The statutory purpose of the Vermont reallocation of receipts from tax  
12 imposed on sales of construction materials in section 9819 of this title is to  
13 promote the restoration or revitalization, or both, of downtown districts within  
14 Vermont.

15 (qq) The statutory purpose of the Vermont sales by licensed auctioneers  
16 exemption in subdivision 9741(48) of this title is to extend the “casual sale”  
17 exemption to parallel situations involving an auctioneer.

18 (rr) The statutory purpose of the Vermont licensed use of prewritten software  
19 from remote servers exemption in 2012 Acts and Resolves No. 143, Sec. 52 is  
20 to provide a temporary exemption to businesses and consumers while

1 clarifying and drafting the rules for this relatively new model for providing  
2 software.

3 \* \* \* Property Taxes \* \* \*

4 Sec. 9. 10 V.S.A. § 210 is added to read:

5 § 210. STATUTORY PURPOSES

6 The statutory purpose of the Vermont local development corporations  
7 exemption in section 236 of this title is to exempt government-funded entities  
8 and promote economic development.

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

10 § 602. STATUTORY PURPOSES

11 The statutory purpose of the Vermont Housing Finance Agency exemption in  
12 subsection 641(a) of this title is to exempt quasi-government entities that  
13 provide and promote affordable housing.

14 Sec. 11. 16 V.S.A. § 2170 is added to read:

15 § 2170. STATUTORY PURPOSES

16 The statutory purpose of the Vermont State Colleges exemption in section  
17 2178 of this title is to exempt entities that receiving government funding and  
18 providing higher education.

1 Sec. 12. 16 App. V.S.A. § 1-15a is added to read:

2 § 1-15a. STATUTORY PURPOSES

3 The statutory purpose of the University of Vermont exemption in section 1-15  
4 of this chapter is to exempt entities receiving government funding and  
5 providing higher education.

6 Sec. 13. 18 V.S.A. § 5300 is added to read:

7 § 5300. STATUTORY PURPOSES

8 The statutory purpose of the Vermont cemeteries exemption in sections 5317  
9 and 5376 of this title is to exempt property with a fair market value that is  
10 difficult to ascertain and for which there are limited options for alternative  
11 uses.

12 Sec. 14. 22 V.S.A. § 68 is added to read:

13 § 68. STATUTORY PURPOSES

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

17 Sec. 15. 24 V.S.A. § 4000 is added to read:

18 § 4000. STATUTORY PURPOSES

19 The statutory purpose of the Vermont housing authorities exemption in section  
20 4020 of this title is to exempt quasi-government entities that provide and  
21 promote affordable housing.

1 Sec. 16. 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 chapter  
4 124 of this title is to lower the property tax level for land used for agriculture  
5 and forestry by valuing it based on how it is used rather than the “highest and  
6 best” use which is fair market value.

7 Sec. 17. 32 V.S.A. § 3800 is added to read:

8 § 3800. STATUTORY PURPOSES

9 (a) The statutory purpose of the Vermont federal and State government  
10 property exemption in subdivision 3802(1) of this title is to prevent  
11 government from taxing itself.

12 (b) The statutory purpose of the Vermont congressionally chartered  
13 organizations exemption in subdivision 3802(2) of this title is to exempt  
14 organizations providing civic services.

15 (c) The statutory purpose of the Vermont public, pious, and charitable  
16 property exemption in sections 3832 and 3840 and subdivision 3802(4) of this  
17 title is to exempt entities that provide religious, charitable, civic, or public  
18 services.

19 (d) The statutory purpose of the Vermont college fraternities and societies  
20 exemption in subdivision 3802(5) of this title is to exempt organizations that  
21 provide civic services.

- 1     (e) The statutory purpose of the Vermont Young Men’s and Women’s  
2     Christian Associations in subdivision 3802(6) of this title is to exempt  
3     nonprofit organizations that offer benefits to the community.
- 4     (f) The statutory purpose of the Vermont cemeteries exemption in subdivision  
5     3802(7) of this title is to exempt property with a fair market value that is  
6     difficult to ascertain and for which there are limited options for alternative  
7     uses.
- 8     (g) The statutory purpose of the Vermont exemption for property owned by  
9     agricultural societies in subdivision 3802(9) of this title is to exempt property  
10    that is used to publicly support the State’s agricultural economy.
- 11    (h) The statutory purpose of the Vermont \$10,000.00 exemption of appraised  
12    value of a residence for a veteran in subdivision 3802(11) of this title is to  
13    permanently provide property tax reductions to certain veterans and their  
14    families.
- 15    (i) The statutory purpose of the Vermont property exclusively installed and  
16    operated for the abatement of water pollution exemption in subdivision  
17    3802(12) of this title is to encourage real property improvements that abate  
18    water pollution.
- 19    (j) The statutory purpose of the Vermont humane societies exemption in  
20    section 3802(15) of this title is to eliminate property taxes for organizations  
21    that protect animals.

- 1 (k) The statutory purpose of the Vermont federally qualified health center or  
2 rural health clinic exemption in subdivision 3802(16) of this title is to support  
3 health centers in an underserved area or population, offer a sliding fee scale,  
4 provide comprehensive services, and have an ongoing quality assurance  
5 program.
- 6 (l) The statutory purpose of the Vermont railroad property alternative tax  
7 scheme in subdivision 3803(1) of this title is to provide an alternative tax  
8 scheme where the traditional method of applying the education property tax  
9 rate set annually to the fair market value of the property is inappropriate.
- 10 (m) The statutory purpose of the Vermont telephone property alternative tax  
11 scheme in subdivision 3803(2) of this title is to provide an alternative tax  
12 scheme where the traditional method of applying the education property tax  
13 rate set annually to the fair market value of the property is inappropriate.
- 14 (n) The statutory purpose of the Vermont permanent session law exemptions  
15 in 2008 Acts and Resolves No. 190, 1892 Acts and Resolves No. 213, 1945  
16 Acts and Resolves No. 204, 1939 Acts and Resolves No. 250, 1921 Acts and  
17 Resolves No. 31, 1921 Acts and Resolves No. 262, 1910 Acts and Resolves  
18 No. 370, and 1900 Acts and Resolves No. 244 is to permanently exempt  
19 specific properties that have demonstrated an individual purpose to the General  
20 Assembly.

1 (o) The statutory purpose of the Vermont temporary skating rinks exemption  
2 in 2008 Acts and Resolves No. 190, Sec. 40 (FY09 and FY10), Amended 2010  
3 Acts and Resolves No. 160, Sec. 22 (FY11), and Amended 2011 Acts and  
4 Resolves No. 45, Sec. 13f (FY12 at 50 percent) is to temporarily provide tax  
5 relief while the General Assembly works to create a long term, comprehensive  
6 policy pertaining to these types of facilities.

7 (p) The statutory purpose of the Vermont temporary recreation facilities  
8 exemption in 2008 Acts and Resolves No. 190, Sec. 101 (FY09 only), 2009  
9 Special Session Acts and Resolves No. 1, Sec. H.49 (FY10 and FY11), and  
10 Amended 2011 Acts and Resolves No. 45, Sec. 13fe (FY12 at 50 percent) is to  
11 provide temporary tax relief while the General Assembly works to create a  
12 long term, comprehensive policy pertaining to these types of facilities.

13 Sec. 18. 32 V.S.A. § 5400 is added to read:

14 § 5400. STATUTORY PURPOSES

15 (a) The statutory purpose of the Vermont ski lifts and snowmaking equipment  
16 exemption in subdivision 5401(10)(D) of this title is to support the ski industry  
17 and encourage personal property investments and improvements.

18 (b) The statutory purpose of the Vermont municipally owned property  
19 exemption in subdivision 5401(10)(F) of this title is to prevent government  
20 from taxing itself.

1 (c) The statutory purpose of the Vermont whey processing fixtures exemption  
2 in subdivision 5401(10)(G) of this title is to support industries using whey  
3 processing facilities.

4 (d) The statutory purpose of the Vermont municipalities hosting large power  
5 plants exemption in subsection 5402(d) of this title is to lower property taxes  
6 by 25 percent for businesses and residents of the community hosting an  
7 operating nuclear power facility.

8 (e) The statutory purpose of the Vermont qualified housing exemption in  
9 subdivision 5404a(a)(6) of this title is to reduce by 10 percent the taxes on  
10 housing with rent restrictions which make valuing these properties using the  
11 income approach difficult.

12 (f) The statutory purpose of the Vermont tax increment financing districts in  
13 subsection 5404a(f) of this title is to allow communities to encourage  
14 investment in designated areas meeting certain criteria and to use locally the  
15 additional property tax revenue attributable to those improvements.

16 (g) The statutory purpose of the Vermont Economic Progress Council  
17 approved stabilization agreements in section 5404a of this title are to provide  
18 exemptions on a case-by-case basis in conjunction with other economic  
19 development efforts.

20 (h) The statutory purpose of the Vermont large power plants alternative tax  
21 scheme in subdivision 5401(10)(B) of this title is to provide an alternative tax

1 scheme where the traditional method of applying the education property tax  
2 rate set annually to the fair market value of the property is inappropriate.

3 (i) The statutory purpose of the Vermont wind-powered electric generating  
4 facilities alternative tax scheme in subdivision 5401(10)(J)(i) of this title is to  
5 provide an alternative tax scheme where the traditional method of applying the  
6 education property tax rate set annually to the fair market value of the property  
7 is inappropriate.

8 (j) The statutory purpose of the Vermont renewable energy plant generating  
9 electricity from solar power alternative tax structure in subdivision  
10 5401(10)(J)(ii) is to provide an alternative tax scheme where the traditional  
11 method of applying the education property tax rate set annually to the fair  
12 market value of the property is inappropriate.

13 (k) The statutory purpose of the Vermont public, pious, and charitable  
14 property exemption in subsection 5404(a) of this title is to exempt entities that  
15 provide religious, charitable, civic, or public services.

16 Sec. 19. 32 V.S.A. § 6060 is added to read:

17 § 6060. STATUTORY PURPOSES

18 (a) The statutory purpose of the Vermont property tax adjustments in chapter  
19 154 of this title is to allow property taxes on homesteads to reflect household  
20 income.

1 (b) The statutory purpose of the Vermont \$10,000.00 exemption of appraised  
2 value of a residence for a veteran in subsection 6066(i) of this title is to  
3 permanently provide property tax reductions to certain veterans and their  
4 families.

5 \* \* \* Insurance Premium Taxes \* \* \*

6 Sec. 20. 8 V.S.A. § 3700 is added to read:

7 § 3700. STATUTORY PURPOSES

8 The statutory purpose of the Vermont annuity considerations in section 3718 of  
9 this title is to exempt nontraditional insurance or financial products, or both,  
10 from taxation.

11 Sec. 21. 8 V.S.A. § 4460 is added to read:

12 § 4460. STATUTORY PURPOSES

13 The statutory purpose of the Vermont fraternal societies in section 4500 of this  
14 title is to exempt organizations that are not insurance companies.

15 \* \* \* Transportation Taxes \* \* \*

16 Sec. 22. 23 V.S.A. § 3000 is added to read:

17 § 3000. STATUTORY PURPOSES

18 The statutory purpose of the Vermont diesel tax exemption in section 3003 of  
19 this title is to exempt off-road uses and farm trucks from the user fee for the  
20 State highway system. The exemption for municipal entities and public transit  
21 agencies is based on administrative convenience.

1 Sec. 23. 32 V.S.A. § 8900 is added to read:

2 § 8900. STATUTORY PURPOSES

3 (a) The statutory purpose of the Vermont religious or charitable institutions or  
4 volunteer fire companies exemption in subdivision 8911(3) of this title is to  
5 relieve the burden of State exactions on selected groups.

6 (b) The statutory purpose of the Vermont nonregistered vehicles exemption in  
7 subdivision 8911(5) of this title is to exempt vehicles that are not entitled to  
8 use the State highway system from the tax.

9 (c) The statutory purpose of the Vermont gifts exemption in subdivision  
10 8911(8) of this title is to avoid the intrusion of a tax into sharing transactions  
11 that are common within families.

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

15 (e) The statutory purpose of the Vermont handicapped exemption in  
16 subdivision 8911(12) of this title is to relieve the burden of State exactions on  
17 selected groups.

18 (f) The statutory purpose of the Vermont veterans exemption in subdivision  
19 8911(14) of this title is to relieve the burden of State exactions on selected  
20 groups.

