

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, Insurance Premium, and Property Taxes * * *

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

9 § 2826. STATUTORY PURPOSES

10 (a) 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 its bond issuances.

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

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

20 (c) The statutory purpose of the Vermont Telecommunications Authority
21 (VTA) bonds and notes exemption in section 8074 of this title is to provide the

1 VTA sufficient access to capital by increasing the effective return on
2 investment of its bond issuances.

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

4 § 5813. STATUTORY PURPOSES

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

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

15 (c) The statutory purpose of the Vermont credit for child and dependent
16 care in subsection 5822(d) of this title is to provide tax relief to working
17 taxpayers who must incur dependent care expenses to stay in the workforce in
18 the absence of pre-kindergarten programming.

19 (d) The statutory purpose of the Vermont credit for persons who are elderly
20 or disabled in subsection 5822(d) of this title is to provide tax relief for seniors

1 and persons who are disabled with little tax-exempt retirement or disability
2 income.

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

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

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

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

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

1 ~~affordable housing agencies and to make the effective return on investment~~
2 ~~relatively higher than typical charitable contributions assist certain affordable~~
3 ~~housing charities in attracting private investment at below-market rates by~~
4 ~~restoring some of the income forgone through a tax credit to the investor.~~

5 **[Need to modify]**

6 (j) The statutory purpose of the Vermont affordable housing credit in
7 section 5930u of this title is to increase the capital available to certain
8 ~~affordable housing agencies and to make the effective return on investment~~
9 ~~relatively higher than typical charitable contributions assist certain affordable~~
10 ~~housing projects in attracting private investment by providing a low-risk~~
11 ~~investment return that is not tied to the financial performance or regulatory~~
12 ~~compliance of the affordable housing project.~~ **[Need to modify]**

13 (k) The statutory purpose of the Vermont qualified sale of a mobile home
14 park credit in section 5828 of this title is to encourage sales of mobile home
15 parks as an alternative to closure, and, in doing so, to provide stability to the
16 inhabitants of such mobile home parks.

17 (l) The statutory purpose of the Vermont higher education investment
18 credit in section 5825a of this title is to encourage savings contributions to
19 Vermont 529 plans that would not otherwise occur and to lower the cost of
20 higher education for Vermont students or the taxpaying financial supporters of

1 those students, or both and the Vermont taxpayers who financially support
2 them.

3 (m) The statutory purpose of the Vermont entrepreneurs' seed capital fund
4 credit in section 5830b of this title is to provide capital to the Seed Capital
5 Fund, ensuring it has sufficient capital to make equity investments in Vermont
6 businesses. [Should we delete?]

7 (n) The statutory purpose of the Vermont historical rehabilitation tax credit
8 in subsection 5930cc(a) of this title is to provide incentives to improve and
9 rehabilitate historic properties in designated downtowns and village centers on
10 the basis that historic rehabilitation projects require higher-than-average
11 construction costs.

12 (o) The statutory purpose of the Vermont facade improvement tax credit in
13 subsection 5930cc(b) and sections 5930aa–5930ff of this title is to provide
14 incentives to improve facades and rehabilitate historic properties in designated
15 downtowns and village centers on the basis that historic rehabilitation projects
16 require higher-than-average construction costs.

17 (p) The statutory purpose of the Vermont code improvement tax credit in
18 subsection 5930cc(c) and sections 5930aa–5930ff of this title is to provide
19 incentives to improve and rehabilitate historic properties in designated
20 downtowns and village centers by making code improvements on the basis that
21 historic rehabilitation projects require higher-than-average construction costs.

1 (q) The statutory purpose of the Vermont research and development tax
2 credit in section 5930ii of this title is to encourage business investment in
3 research and development within Vermont in order to increase research and
4 development and to attract and retain intellectual-property-based companies.

5 (r) The statutory purpose of the Vermont economic advancement tax
6 incentive credits in sections 5930a–5930k of this title is to allow Vermont to
7 compete with other states that have offered tax savings and cash benefits as a
8 tool to recruit and retain businesses.

9 (s) The statutory purpose of the Vermont downtown tax credits in sections
10 5930n–5930r of this title is to provide incentives to improve and rehabilitate
11 historic properties in designated downtowns and village centers on the basis
12 that historic rehabilitation projects require higher-than-average construction
13 costs.

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

18 (u) The statutory purpose of the Vermont earned income tax credit in
19 section 5828b of this title is to increase the after-tax income of low-income
20 working families and individuals and to provide an incentive to work for those

1 with little earned income and to offset the effect on these Vermonters of
2 conventionally regressive taxes.

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

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

10 (x) The statutory purpose of the Vermont Downtown and Village Center
11 Program tax credits in section 5930cc of this title is to provide incentives to
12 improve and rehabilitate historic properties in designated downtowns and
13 village centers on the basis that historic rehabilitation projects require
14 higher-than-average construction costs.

15 (y) The statutory purpose of allowing federal itemized deductions and other
16 federal expenditures between federal adjusted gross income and federal taxable
17 income, as listed in the report required by section 312 of this title, is to reflect
18 Vermont's choice to use federal taxable income as a base for Vermont's State
19 income tax.

1 ~~hospitals providing health care services in order to lower the cost of~~
2 ~~welfare increasing health services to Vermonters.~~

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

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

9 ~~Sec. 6. 8 V.S.A. § 4580 is added to read:~~

10 ~~§ 4580. STATUTORY PURPOSES~~

11 ~~(a) The statutory purpose of the Vermont sales to nonprofit medical service~~
12 ~~corporations exemption in section 4590 of this title is to exempt BlueCross~~
13 ~~BlueShield from sales tax in order to lower the costs of services to~~
14 ~~policyholders.~~

15 ~~(b) The statutory purpose of the Vermont nonprofit medical service~~
16 ~~corporations premium exemption in section 4590 of this title is to exempt~~
17 ~~nonprofit companies that provide health care insurance coverage.~~

18 ~~(c) The statutory purpose of the Vermont hospital and medical service~~
19 ~~organizations property tax exemption in section 4590 of this title is to exempt~~
20 ~~nonprofit companies that provide health care insurance coverage.~~

1 ~~Sec. 8. 8 V.S.A. § 30102 is added to read:~~

2 ~~§ 30102. STATUTORY PURPOSES~~

3 ~~(a) The statutory purpose of the Vermont sales to credit unions exemption~~
4 ~~in section 30901 of this title is to lessen the taxes on financial institutions that~~
5 ~~provide banking to underserved populations affirm the not for profit,~~
6 ~~cooperative structure of credit unions.~~

7 ~~(b) The statutory purpose of the Vermont credit union tax on deposits~~
8 ~~exemption in section 30901 of this title is to subsidize financial services for~~
9 ~~individuals with low and moderate incomes and in underserved communities~~
10 ~~affirm the not-for-profit, cooperative structure of credit unions.~~

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

12 § 9201. STATUTORY PURPOSES

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

17 (b) The statutory purpose of the Vermont meals served or furnished on the
18 premises of a nonprofit organization exemption in subdivision
19 9202(10)(D)(ii)(I) of this title is to reduce costs for nonprofit organizations
20 allow the revenues generated by certain activities to be dedicated to furthering
21 the public-service missions of the organizations.

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

4 (d) The statutory purpose of the Vermont or federal institutions premises
5 where meals are provided to inmates and employees exemption in subdivision
6 9202(10)(D)(ii)(III) of this title is to prevent the taxation of entities that are
7 funded by taxpayers.

8 (e) The statutory purpose of the Vermont meals provided at hospitals and
9 convalescent and nursing homes exemption in subdivision 9202(10)(D)(ii)(IV)
10 of this title is to reduce the overall costs of health care and senior care in
11 Vermont.

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

16 (g) The statutory purpose of the Vermont summer camp for children
17 exemption in subdivision 9202(10)(D)(ii)(VI) of this title is to promote
18 Vermont outdoor education for youth reduce costs for summer education and
19 outdoor activities for youth.

20 (h) The statutory purpose of the Vermont nonprofits at fairs, bazaars,
21 picnics, and similar events exemption in subdivision 9202(10)(D)(ii)(VII) of

1 this title is to ~~reduce costs for certain nonprofit organizations~~ allow the
2 ~~revenues generated by certain activities to be dedicated to furthering the~~
3 ~~public-service missions of the organizations.~~

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

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

12 (k) The statutory purpose of the Vermont meals purchased under the
13 Supplemental Nutrition Assistance Program (SNAP) exemption in subdivision
14 9202(10)(D)(ii)(X) of this title is to exempt from tax meals paid for with
15 government funds.

16 (l) The statutory purpose of the Vermont meals served on the premises of a
17 continuing care retirement community exemption in subdivision
18 9202(10)(D)(ii)(XI) is to exempt from tax meals prepared in a person's home.

19 (m) The statutory purpose of the Vermont time share rights exemption in
20 subdivision 9202(8) of this title is to avoid double taxation on holdings that are
21 subject to property taxes.

1 (n) The statutory purpose of the Vermont student housing exemption in
2 subdivision 9202(8) of this title is to reduce the overall costs of education in
3 Vermont.

4 (o) The statutory purpose of the Vermont permanent residents exemption in
5 subdivisions 9202(6) and (7) of this title is to treat long-term hotel guests as
6 permanent residents of the State for purposes of administrating the rooms tax.

7 (p) The statutory purpose of the Vermont rooms furnished to an employee
8 of a hotel or restaurant operator as remuneration for his or her employment
9 exemption in subdivision 9202(6) of this title is to exclude the taxation of
10 in-kind benefits.

11 (q) The statutory purpose of the summer camp for children exemption in
12 subdivision 9202(6) of this title is to ~~promote Vermont outdoor education for~~
13 ~~youth~~ reduce costs for summer education and outdoor activities for youth.

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

18 (s) The statutory purpose of the Vermont rooms on the premises of a
19 nonprofit exemption in subdivision 9202(3)(C) of this title is to ~~reduce costs~~
20 ~~for certain nonprofit organizations~~ allow the revenues generated by certain

1 activities to be dedicated to furthering the public-service missions of the
2 organizations.

3 (t) The statutory purpose of the Vermont rooms on the premises of a
4 continuing care retirement community exemption in subdivision 9202(3)(D) of
5 this title is to exclude rooms that are a person's residence.

6 * * * Sales Taxes * * *

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

8 § 9706. STATUTORY PURPOSES

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

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

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

19 (d) The statutory purpose of the Vermont nonbusiness, casual sales
20 exemption in subdivision 9741(4) of this title is to prevent the occasional sale

1 and resale of personal property by individuals not engaged as merchants from
2 being subjected to the tax.

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

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

10 (g) The statutory purpose of the Vermont manufacturers' material and
11 equipment exemption in subdivision 9741(14) of this title is to avoid tax
12 pyramiding on goods and encourage investments in equipment by
13 manufacturing entities.

14 (h) The statutory purpose of the Vermont newspapers exemption in
15 subdivision 9741(15) of this title is to reduce the financial costs of building an
16 informed citizenry.

17 (i) The statutory purpose of the Vermont packaging and shipping materials
18 exemption in subdivision 9741(16) of this title is to prevent tax pyramiding by
19 excluding inputs into business production and distribution.

1 (j) The statutory purpose of the Vermont rented furniture for residential use
2 exemption in subdivision 9741(17) of this title is to limit sales taxes on items
3 that are not being sold in order to avoid double taxation.

4 (k) The statutory purpose of the Vermont municipal, State, and federal
5 recreation facilities admission exemption in subdivision 9741(18) of this title is
6 to exempt from tax a state charge for an entrance or admission to avoid
7 layering a sales tax on top of publicly financed amenities.

8 (l) The statutory purpose of the Vermont rentals of coin-operated washing
9 facilities exemption in subdivision 9741(19) of this title is to exempt
10 coin-operated washing facilities on the basis that these facilities are the
11 equivalent of a service.

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

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

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

1 (p) The statutory purpose of the Vermont commercial, industrial, or
2 agricultural research property use exemption in subdivision 9741(24) of this
3 title is to reduce financial barriers to research and innovation in the
4 commercial, industrial, and agricultural industries in order to increase these
5 activities.

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

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

13 (s) The statutory purpose of the Vermont energy purchases for farming
14 exemption in subdivision 9741(27) of this title is to avoid tax pyramiding of
15 agricultural products.

16 (t) The statutory purpose of the Vermont sales of films to movie theaters
17 exemption in subdivision 9741(28) of this title is to avoid tax on items that are
18 normally not for permanent use within the State.

19 (u) The statutory purpose of the Vermont aircraft and depreciable parts for
20 commercial and private use exemption in subdivision 9741(29) of this title is
21 to promote the growth of the aircraft maintenance industry in Vermont by

1 lowering the cost of parts and equipment relative to other states with private
2 airplane maintenance facilities.

3 (v) The statutory purpose of the Vermont railroad rolling stock and
4 depreciable parts exemption in subdivision 9741(30) of this title is to increase
5 the use of rail for transport by lowering the costs of maintenance.

6 (w) The statutory purpose of the Vermont ferryboats and depreciable parts
7 exemption in subdivision 9741(31) of this title is to increase the use of ferry
8 for transport by lowering the costs of maintenance.

9 (x) The statutory purpose of the Vermont sales of mobile homes and
10 modular housing exemption in subdivision 9741(32) of this title is to create
11 equity between mobile and modular housing and traditional residential
12 construction by providing an exemption for the estimated portion of the cost
13 attributable to labor (versus materials).

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

17 (z) The statutory purpose of the Vermont energy used in manufacturing
18 tangible personal property for sale exemption in subdivision 9741(34) of this
19 title is to avoid the taxation of manufacturing inputs and the pyramiding of
20 taxes on goods produced in State.

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

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

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

12 (dd) The statutory purpose of the Vermont tracked vehicles exemption in
13 subdivision 9741(38) of this title is to limit the sales tax on construction
14 vehicles such as bulldozers in order to lessen the cost of capital investments
15 facilitated by those tracked vehicles.

16 (ee) The statutory purpose of the Vermont sales of building materials
17 exemption in subdivisions 9741(39)(i) and (ii) of this title is to encourage the
18 restoration and revitalization of downtown districts provide incentives to
19 restore and revitalize downtown districts on the basis that downtown
20 redevelopment projects require higher-than-average construction costs.

1 (ff) The statutory purpose of the Vermont wholesale transactions between
2 telecommunications service providers exemption in subdivision 9741(41) of
3 this title is to avoid taxation of inputs and intercompany transactions in order to
4 avoid double taxation.

5 (gg) The statutory purpose of the Vermont third party scrap construction
6 materials exemption in subdivision 9741(43) of this title is to promote the
7 reuse and recycling of scrap construction materials.

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

11 (ii) The statutory purpose of the Vermont clothing and footwear exemption
12 in subdivision 9741(45) of this title is to limit the tax burden on the purchase
13 of goods that are necessary for the health and welfare of all people in Vermont.

14 (jj) The statutory purpose of the Vermont property incorporated into a net
15 metering system exemption, on-premise energy system not connected to the
16 electric distribution system exemption, and solar hot water heating system
17 exemption in subdivision 9741(46) of this title is to **increase the deployment**
18 **of solar electric generating technologies until the price of solar materials and**
19 **installation decreases to the point it does not need State subsidization.**

20 (kk) The statutory purpose of the Vermont purchases by and limited
21 purchases from 501(c)(3) organizations exemption in subdivision 9743(3) of

1 this title is to reduce costs for certain nonprofit organizations in order to allow
2 them to dedicate more of their financial resources to furthering the
3 public-service missions of the organizations.

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

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

17 (nn) The statutory purpose of the Vermont amusement charges for events
18 presented by 501(c)(3) organizations in subdivision 9743(7) of this title is to
19 reduce the costs for and encourage participation in fundraising events
20 organized by certain nonprofit organizations in order to allow them to dedicate

1 more of their financial resources to furthering the public-service missions of
2 the organizations.

3 (oo) The statutory purpose of the Vermont limitation of tax on
4 telecommunications services in section 9771a of this title is to promote the
5 growth of telecommunications intensive businesses. [Should this be
6 **eliminated?]**

7 (pp) The statutory purpose of the Vermont reallocation of receipts from tax
8 imposed on sales of construction materials in section 9819 of this title is to
9 promote the restoration or revitalization, or both, of downtown districts within
10 Vermont that would not otherwise occur by reducing the costs of construction.

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

14 * * * Property Taxes * * *

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

16 § 210. STATUTORY PURPOSES

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

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

2 § 602. STATUTORY PURPOSES

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

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

7 § 2170. STATUTORY PURPOSES

8 The statutory purpose of the Vermont State Colleges exemption in section
9 2178 of this title is to exempt allow entities that receiving government funding
10 and institutions providing higher education to deploy their financial resources
11 to their educational missions by lowering their tax expenses.

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

13 § 1-15a. STATUTORY PURPOSES

14 The statutory purpose of the University of Vermont exemption in section
15 1-15 of this chapter is to exempt entities receiving government funding and
16 providing higher education allow institutions providing higher education to
17 deploy their financial resources to their educational missions by lowering their
18 tax expenses.

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

2 § 5300. STATUTORY PURPOSES

3 The statutory purpose of the Vermont cemeteries exemption in sections
4 5317 and 5376 of this title is to exempt property with a fair market value that is
5 difficult to ascertain and for which there are limited options for alternative
6 uses.

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

8 § 68. STATUTORY PURPOSES

9 The statutory purpose of the Vermont libraries exemption in section 109 of
10 this title is to exempt enable libraries that to offer free and public access to
11 information and research resources.

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

13 § 4000. STATUTORY PURPOSES

14 The statutory purpose of the Vermont housing authorities exemption in
15 section 4020 of this title is to exempt quasi-government entities that provide
16 and promote affordable housing quasi-governmental entities from taxation and
17 because there is not, in certain parts of Vermont, an adequate supply of decent,
18 safe, and sanitary housing for persons of low income or for elders of low
19 income, or both, available for rents which such persons can afford to pay, and
20 the rents which such persons can afford to pay would not warrant private
21 enterprise in providing housing for such persons promote, provide, and

1 preserve affordable housing in ways that encourage resident self-sufficiency
2 and support healthy neighborhoods.

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

4 § 3750. STATUTORY PURPOSES

5 The statutory purpose of the Vermont Use Value Appraisal Program in
6 chapter 124 of this title is to lower the property tax level for land used for
7 agriculture and forestry by valuing it based on how it is used rather than the
8 “highest and best” use which is fair market value in order to preserve the
9 working landscape by making farm and forest operations financially viable in
10 the face of high property values.

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

12 § 3800. STATUTORY PURPOSES

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

16 (b) The statutory purpose of the Vermont congressionally chartered
17 organizations exemption in subdivision 3802(2) of this title is to exempt
18 organizations providing civic services comply with federal law.

19 (c) The statutory purpose of the Vermont public, pious, and charitable
20 property exemption in sections 3832 and 3840 and subdivision 3802(4) of this
21 title is to exempt entities that provide religious, charitable, civic, or public

1 services lower the tax expenses of certain organizations to allow them to
2 dedicate more of their financial resources to furthering the public-service
3 missions of the organizations.

4 (d) The statutory purpose of the Vermont college fraternities and societies
5 exemption in subdivision 3802(5) of this title is to exempt organizations that
6 provide civic services.[Should we delete this?]

7 (e) The statutory purpose of the Vermont Young Men's and Women's
8 Christian Associations exemption in subdivision 3802(6) of this title is to
9 exempt nonprofit organizations that offer benefits to the community lower the
10 tax expenses of these organizations to allow them to dedicate more of their
11 financial resources to furthering the public-service missions of the
12 organizations.

13 (f) The statutory purpose of the Vermont cemeteries exemption in
14 subdivision 3802(7) of this title is to exempt property with a fair market value
15 that is difficult to ascertain and for which there are limited options for
16 alternative uses.

17 (g) The statutory purpose of the Vermont exemption for property owned by
18 agricultural societies in subdivision 3802(9) of this title is to exempt property
19 that is used to publicly support the State's agricultural economy.

20 (h) The statutory purpose of the Vermont \$10,000.00 exemption of
21 appraised value of a residence for a veteran in subdivision 3802(11) of this title

1 is to provide permanently property tax reductions to certain veterans and their
2 families households that include a disabled veteran in recognition of his or her
3 service to Vermont and to the country.

4 (i) The statutory purpose of the Vermont property exclusively installed and
5 operated for the abatement of water pollution exemption in subdivision
6 3802(12) of this title is to encourage real property improvements that abate
7 water pollution by nonpublic entities that would not qualify for an exemption
8 as a government entity.

9 (j) The statutory purpose of the Vermont humane societies exemption in
10 section 3802(15) of this title is to eliminate property taxes for organizations
11 that protect animals to allow them to dedicate more of their financial resources
12 to furthering the public-service missions of the organizations.

13 (k) The statutory purpose of the Vermont federally qualified health center
14 or rural health clinic exemption in subdivision 3802(16) of this title is to
15 support health centers in that serve an underserved area or population, offer a
16 sliding fee scale, provide comprehensive services, and have an ongoing quality
17 assurance program by lowering their tax expenses.

18 (l) The statutory purpose of the Vermont railroad property alternative tax
19 scheme in subdivision 3803(1) of this title is to provide an alternative tax
20 scheme where in lieu of the traditional method of applying the education

1 property tax rate set annually to the fair market value of the property is
2 inappropriate in order to achieve consistent valuation across municipalities.

3 (m) The statutory purpose of the Vermont telephone property alternative
4 tax scheme in subdivision 3803(2) of this title is to provide an alternative tax
5 scheme where in lieu of the traditional method of applying the education
6 property tax rate set annually to the fair market value of the property is
7 inappropriate in order to achieve consistent valuation across municipalities.

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

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

16 § 5400. STATUTORY PURPOSES

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

20 **[Should this be taken out of the tax expenditure book if Parker Riehle is**
21 **correct?]**

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

4 **(c) The statutory purpose of the Vermont whey processing fixtures**
5 **exemption in subdivision 5401(10)(G) of this title is to support industries using**
6 **whey processing facilities to convert waste into value-added products. [But**
7 **why?]**

8 **(d) The statutory purpose of the Vermont municipalities hosting large**
9 **power plants exemption in subsection 5402(d) of this title is to lower property**
10 **taxes by 25 percent for businesses and residents of the community hosting a an**
11 **operating nuclear power facility. [But why?]**

12 **(e) The statutory purpose of the Vermont qualified housing exemption in**
13 **subdivision 5404a(a)(6) of this title is to reduce by 10 percent the taxes on**
14 **housing with rent restrictions which make valuing these properties using the**
15 **income approach difficult and to reduce the housing costs of low- and**
16 **moderate-income Vermonters.**

17 **(f) The statutory purpose of the Vermont tax increment financing districts**
18 **in subsection 5404a(f) of this title is to allow communities to encourage**
19 **investment that would not occur without approval of the district in designated**
20 **areas meeting certain criteria and to use locally the additional property tax**

1 revenue attributable to those improvements to pay off the debt incurred to
2 construct the improvements.

3 (g) The statutory purpose of the Vermont Economic Progress Council
4 approved stabilization agreements in section 5404a of this title are 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 occur without the stabilization agreement.

8 (h) The statutory purpose of the Vermont large power plants alternative tax
9 scheme in subdivision 5401(10)(B) of this title is to provide an alternative tax
10 scheme where the traditional a predictable and consistent method of applying
11 the education property tax rate set annually to the fair market value of the
12 property is inappropriate an alternative tax scheme in lieu of the traditional
13 method of applying the education property tax rate in order to achieve
14 consistent valuation across municipalities.

15 (i) The statutory purpose of the Vermont wind-powered electric generating
16 facilities alternative tax scheme in subdivision 5401(10)(J)(i) of this title is to
17 provide an alternative tax scheme where the traditional a predictable and
18 consistent method of applying the education property tax rate set annually to
19 the fair market value of the property is inappropriate an alternative tax scheme
20 in lieu of the traditional method of applying the education property tax rate in
21 order to achieve consistent valuation across municipalities.

1 (j) The statutory purpose of the Vermont renewable energy plant generating
2 electricity from solar power alternative tax structure in subdivision
3 5401(10)(J)(ii) is to provide an alternative tax scheme where the traditional a
4 predictable and consistent method of applying the education property tax rate
5 set annually to the fair market value of the property is inappropriate an
6 alternative tax scheme in lieu of the traditional method of applying the
7 education property tax rate in order to achieve consistent valuation across
8 municipalities.

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

10 § 6060. STATUTORY PURPOSES

11 (a) The statutory purpose of the Vermont property tax adjustments in
12 chapter 154 of this title is to allow property taxes on homesteads to reflect
13 household income a household's ability to pay and to mitigate the impact on
14 some Vermont residents of living in high property value communities.

15 (b) The statutory purpose of the Vermont \$10,000.00 exemption of
16 appraised value of a residence for a veteran in subsection 6066(i) of this title is
17 to permanently provide property tax reductions to certain veterans and their
18 families households that include a disabled veteran in recognition of his or her
19 service to Vermont and to the country.

1 * * * Insurance Premium Taxes * * *

2 Sec. 18. 8 V.S.A. § 3700 is added to read:

3 § 3700. STATUTORY PURPOSES

4 The statutory purpose of the Vermont annuity considerations in section
5 3718 of this title is to exempt nontraditional insurance or financial products, or
6 both, from taxation in order to avoid reciprocity from foreign jurisdictions.

7 Sec. 19. 8 V.S.A. § 4460 is added to read:

8 § 4460. STATUTORY PURPOSES

9 The statutory purpose of the Vermont fraternal societies in section 4500 of
10 this title is to exempt organizations that are not insurance companies support
11 the charitable activities of fraternal societies. [Yes, but why?]

12 * * * Transportation Taxes * * *

13 Sec. 20. 23 V.S.A. § 3000 is added to read:

14 § 3000. STATUTORY PURPOSES

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

1 Sec. 21. 32 V.S.A. § 8900 is added to read:

2 § 8900. STATUTORY PURPOSES

3 (a) The statutory purpose of the Vermont ~~religious pious~~ or charitable
4 institutions or volunteer fire companies exemption in subdivision 8911(3) of
5 this title is to lower the tax expenses of pious and charitable organizations
6 considered exempt under subdivision 3802(4) of this title to allow them to
7 dedicate more of their financial resources to furthering the public-service
8 missions of the organizations. **[Should the underlying exemption be changed**
9 **to only apply to religious or charitable or volunteer fire that have received**
10 **property tax exemptions?]**

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

14 (c) The statutory purpose of the Vermont gifts exemption in subdivision
15 8911(8) of this title is to avoid the intrusion of a tax into sharing transactions
16 that are common within families.

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

20 (e) The statutory purpose of the Vermont handicapped exemption in
21 subdivision 8911(12) of this title is to relieve the burden of State exactions on

1 selected groups lessen the cost of purchasing a vehicle that has been modified
2 to meet the physical needs of a qualifying Vermonter.

3 (f) The statutory purpose of the Vermont veterans exemption in subdivision
4 8911(14) of this title is to relieve the burden of State exactions on selected
5 groups remove every cost to a qualifying veteran of receiving a vehicle granted
6 by the Veterans' Administration.

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

10 * * * Effective Date * * *

11 Sec. 22. EFFECTIVE DATE

12 This act shall take effect on July 1, 2014.

13

14

15 (Committee vote: _____)

16

17

18

Senator [surname]

FOR THE COMMITTEE