

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 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 assist certain affordable housing charities in

1 attracting private investment at below-market rates by restoring some of the
2 income forgone through a tax credit to the investor.

3 (j) The statutory purpose of the Vermont affordable housing credit in
4 section 5930u of this title is to ~~assist certain affordable housing projects in~~
5 attracting private investment by providing a low risk investment return that is
6 not tied to the financial performance or regulatory compliance of the affordable
7 housing project increase the capital available to certain affordable housing
8 projects for construction or rehabilitation by attracting up front private
9 investment.

10 (k) The statutory purpose of the Vermont qualified sale of a mobile home
11 park credit in section 5828 of this title is to encourage sales of mobile home
12 parks to a group composed of a majority of the mobile home park leaseholders,
13 or to a nonprofit organization that represents such a group as an alternative to
14 closure, and, in doing so, to provide stability to the inhabitants of such mobile
15 home parks.

16 (l) The statutory purpose of the Vermont higher education investment
17 credit in section 5825a of this title is to encourage contributions to Vermont
18 529 plans that would not otherwise occur and to lower the cost of higher
19 education for Vermont students and the Vermont taxpayers who financially
20 support them.

1 (m) The statutory purpose of the Vermont entrepreneurs’ seed capital fund
2 credit in section 5830b of this title is to provide capital to the Seed Capital
3 Fund, ensuring it has sufficient capital to make equity investments in Vermont
4 businesses.

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

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

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

20 (q) The statutory purpose of the Vermont research and development tax
21 credit in section 5930ii of this title is to encourage business investment in

1 research and development within Vermont in order to increase research and
2 development and to attract and retain intellectual-property-based companies.

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

7 (s) The statutory purpose of the Vermont downtown tax credits in sections
8 5930n–5930r of this title is to provide incentives to improve and rehabilitate
9 historic properties in designated downtowns and village centers on the basis
10 that historic rehabilitation projects require higher than average construction
11 costs.

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

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

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

8 (x) 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 on the basis that historic rehabilitation projects require**
12 **higher than average construction costs.**

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

1 burden on the purchase of goods that are necessary for the health and welfare
2 of all people in Vermont.

3 (b) The statutory purpose of the Vermont meals served or furnished on the
4 premises of a nonprofit organization exemption in subdivision
5 9202(10)(D)(ii)(I) of this title is to reduce costs for nonprofit organizations
6 allow more of the revenues generated by certain activities to be dedicated to
7 furthering the public-service missions of the organizations.

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

11 (d) The statutory purpose of the Vermont or federal institutions premises
12 where meals are provided to inmates and employees exemption in subdivision
13 9202(10)(D)(ii)(III) of this title is to prevent the taxation of entities that are
14 funded by taxpayers.

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

19 (f) The statutory purpose of the Vermont meals furnished while
20 transporting passengers for hire on train, bus, or airplane exemption in

1 subdivision 9202(10)(D)(ii)(V) of this title is to reduce the administrative costs
2 for transit companies providing interstate travel services.

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

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

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

14 (j) The statutory purpose of the Vermont meals provided to the elderly
15 pursuant to the Older Americans Act exemption in subdivision
16 9202(10)(D)(ii)(IX) of this title is to exempt from tax government-provided
17 meals.

18 (k) The statutory purpose of the Vermont meals purchased under the
19 Supplemental Nutrition Assistance Program (SNAP) exemption in subdivision
20 9202(10)(D)(ii)(X) of this title is to exempt from tax meals paid for with
21 government funds.

1 (l) The statutory purpose of the Vermont meals served on the premises of a
2 continuing care retirement community exemption in subdivision
3 9202(10)(D)(ii)(XI) is to exempt from tax meals prepared in a person’s home.

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

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

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

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

17 (q) The statutory purpose of the summer camp for children exemption in
18 subdivision 9202(6) of this title is to reduce costs for summer education and
19 outdoor activities for youth.

20 (r) The statutory purpose of the Vermont State or United States operated
21 establishment room charges exemption in subdivision 9202(3)(B) of this title is

1 to abide by the requirement that states will not tax the federal government and
2 to avoid the instance of the State taxing itself.

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

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

10 * * * Sales Taxes * * *

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

12 § 9706. STATUTORY PURPOSES

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

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

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

4 (d) The statutory purpose of the Vermont nonbusiness, casual sales
5 exemption in subdivision 9741(4) of this title is to prevent the occasional sale
6 and resale of personal property by individuals not engaged as merchants from
7 being subjected to the tax.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (u) The statutory purpose of the Vermont aircraft and depreciable parts for
2 commercial and private use exemption in subdivision 9741(29) of this title is
3 to promote the growth of the aircraft maintenance industry in Vermont by
4 lowering the cost of parts and equipment relative to other states with private
5 airplane maintenance facilities.

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

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

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

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

20 (z) The statutory purpose of the Vermont energy used in manufacturing
21 tangible personal property for sale exemption in subdivision 9741(34) of this

1 title is to avoid the taxation of manufacturing inputs and the pyramiding of
2 taxes on goods produced in State.

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

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

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

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

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

1 downtown redevelopment projects require higher than average construction
2 costs.

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

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

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

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

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

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

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

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

19 (nn) The statutory purpose of the Vermont amusement charges for events
20 presented by 501(c)(3) organizations in subdivision 9743(7) of this title is to
21 reduce the costs for and encourage participation in fundraising events

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

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

8 (pp) The statutory purpose of the Vermont reallocation of receipts from tax
9 imposed on sales of construction materials in section 9819 of this title is to
10 promote the restoration or revitalization, or both, of downtown districts within
11 Vermont that would not otherwise occur by reducing the costs of construction
12 provide incentives to restore and revitalize certain properties in designated
13 downtown districts.

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

17 * * * Property Taxes * * *

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

19 § 210. STATUTORY PURPOSES

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

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

5 § 602. STATUTORY PURPOSES

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

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

10 § 2170. STATUTORY PURPOSES

11 The statutory purpose of the Vermont State Colleges exemption in section
12 2178 of this title is to allow institutions providing higher education to deploy
13 more of their financial resources to their educational missions by lowering
14 their tax expenses.

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

16 § 1-15a. STATUTORY PURPOSES

17 The statutory purpose of the University of Vermont exemption in section
18 1-15 of this chapter is to allow institutions providing higher education to
19 deploy more of their financial resources to their educational missions by
20 lowering their 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 enable aid libraries to in offering 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 promote, provide, and preserve affordable
16 housing in ways that encourage resident self-sufficiency and support healthy
17 neighborhoods.

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

19 § 3750. STATUTORY PURPOSES

20 The statutory purpose of the Vermont Use Value Appraisal Program in
21 chapter 124 of this title is to preserve the working landscape by making farm

1 and forest operations more financially viable in the face of high property
2 values.

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

4 § 3800. STATUTORY PURPOSES

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

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

12 (c) The statutory purpose of the Vermont public, pious, and charitable
13 property exemption in sections 3832 and 3840 and subdivision 3802(4) of this
14 title is to lower the tax expenses of certain organizations to allow them to
15 dedicate more of their financial resources to furthering the public-service
16 missions of the organizations.

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

20 (e) The statutory purpose of the Vermont Young Men's and Women's
21 Christian Associations exemption in subdivision 3802(6) of this title is to

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

4 (f) The statutory purpose of the Vermont cemeteries exemption in
5 subdivision 3802(7) of this title is to exempt property with a fair market value
6 that is difficult to ascertain and for which there are limited options for
7 alternative 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
12 appraised value of a residence for a veteran in subdivision 3802(11) of this title
13 is to provide permanently property tax reductions to households that include a
14 disabled veteran in recognition of his or her service to Vermont and to the
15 country.

16 (i) The statutory purpose of the Vermont property exclusively installed and
17 operated for the abatement of water pollution exemption in subdivision
18 3802(12) of this title is to encourage real property improvements that abate
19 water pollution by nonpublic entities that would not qualify for an exemption
20 as a government entity.

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

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

10 (l) The statutory purpose of the Vermont railroad property alternative tax
11 scheme in subdivision 3803(1) of this title is to provide an alternative tax
12 scheme in lieu of the traditional method of applying the education property tax
13 rate in order to achieve consistent valuation across municipalities.

14 (m) The statutory purpose of the Vermont telephone property alternative
15 tax scheme in subdivision 3803(2) of this title is to provide an alternative tax
16 scheme in lieu of the traditional method of applying the education property tax
17 rate in order to achieve consistent valuation across municipalities.

18 (n) The statutory purpose of the Vermont permanent session law
19 exemptions in 2008 Acts and Resolves No. 190, 1892 Acts and Resolves
20 No. 213, 1945 Acts and Resolves No. 204, 1939 Acts and Resolves No. 250,
21 1921 Acts and Resolves No. 31, 1921 Acts and Resolves No. 262, 1910 Acts

1 and Resolves No. 370, and 1900 Acts and Resolves No. 244 is to exempt
2 permanently specific properties that have demonstrated an individual purpose
3 to the General Assembly.

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

5 § 5400. STATUTORY PURPOSES

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

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

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

14 (c) The statutory purpose of the Vermont whey processing fixtures
15 exemption in subdivision 5401(10)(G) of this title is to support industries using
16 whey processing facilities to convert waste into value-added products.

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

1 (e) The statutory purpose of the Vermont qualified housing exemption in
2 subdivision 5404a(a)(6) of this title is to reduce by 10 percent ~~the taxes on~~
3 ~~housing with rent restrictions which make valuing these properties using the~~
4 ~~income approach difficult and to reduce the housing costs of low- and~~
5 ~~moderate income Vermonters reduce by 10 percent the assessment value on~~
6 ~~housing units with rent restrictions which make valuing these properties using~~
7 ~~the non-homestead income approach difficult and to ensure that taxes on this~~
8 ~~rent restricted housing provided to low and moderate- income Vermonters is~~
9 ~~more equivalent to property taxed using the state homestead rate.~~

10 (f) The statutory purpose of the Vermont tax increment financing districts
11 in subsection 5404a(f) of this title is to allow communities to encourage
12 investment that would not occur without approval of the district and to use
13 locally the additional property tax revenue attributable to those improvements
14 to pay off the debt incurred to construct the improvements.

15 (g) The statutory purpose of the Vermont Economic Progress Council
16 approved stabilization agreements in section 5404a of this title are to provide
17 exemptions on a case-by-case basis in conjunction with other economic
18 development efforts in order to facilitate economic development that would not
19 occur without the stabilization agreement.

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

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 in lieu of the traditional method of applying
6 the education property tax rate in order to achieve consistent valuation across
7 municipalities.

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 in lieu of the traditional
11 method of applying the education property tax rate in order to achieve
12 consistent valuation across municipalities.

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

14 § 6060. STATUTORY PURPOSES

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

19 (b) The statutory purpose of the Vermont \$10,000.00 exemption of
20 appraised value of a residence for a veteran in subsection 6066(i) of this title is
21 to permanently provide property tax reductions to households that include a

1 disabled veteran in recognition of his or her service to Vermont and to the
2 country.

3 * * * Insurance Premium Taxes * * *

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

5 § 3700. STATUTORY PURPOSES

6 The statutory purpose of the Vermont annuity considerations in section
7 3718 of this title is to exempt nontraditional insurance or financial products, or
8 both, from taxation in order to avoid reciprocity from foreign jurisdictions.

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

10 § 4460. STATUTORY PURPOSES

11 The statutory purpose of the Vermont fraternal societies in section 4500 of
12 this title is to ~~support the charitable activities of fraternal societies support~~
13 benevolent societies that provide benefits to its members and to the
14 community.

15 * * * Transportation Taxes * * *

16 Sec. 20. 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
19 of 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

1 agencies is to avoid the taxation of governmental and quasi-governmental
2 entities.

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

4 § 8900. STATUTORY PURPOSES

5 (a) The statutory purpose of the Vermont pious or charitable institutions or
6 volunteer fire companies exemption in subdivision 8911(3) of this title is to
7 lower the tax expenses of pious and charitable organizations considered
8 exempt under subdivision 3802(4) of this title to allow them to dedicate more
9 of their financial resources to furthering the public-service missions of the
10 organizations.

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.

1 (e) The statutory purpose of the Vermont handicapped exemption in
2 subdivision 8911(12) of this title is to lessen the cost of purchasing a vehicle
3 that has been modified to meet the physical needs of a qualifying Vermonter.

4 (f) The statutory purpose of the Vermont veterans exemption in subdivision
5 8911(14) of this title is to remove every cost to a qualifying veteran of
6 receiving a vehicle granted 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
11

* * * Effective Date * * *

12 Sec. 22. EFFECTIVE DATE

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

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15

16 (Committee vote: _____)

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19

Senator [surname]

FOR THE COMMITTEE