

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 471
3 entitled “An act relating to technical and administrative changes to Vermont’s
4 tax laws” respectfully reports that it has considered the same and recommends
5 that the Senate propose to the House that the bill be amended as follows:

6 First: By adding a new Sec. 6a and its reader assistance heading to read as
7 follows:

8 * * * Report; Department of Taxes; Tax Refund Notice to Purchasers * * *

9 Sec. 6a. REPORT; DEPARTMENT OF TAXES; TAX REFUND NOTICE

10 TO PURCHASERS

11 On or before January 15, 2024, the Department of Taxes shall submit a
12 written report to the House Committees on Commerce and Economic
13 Development and on Ways and Means and the Senate Committees on
14 Economic Development, Housing and General Affairs and on Finance
15 recommending legislative action to require licensed operators, restaurants, and
16 vendors to notify purchasers of the occurrence of erroneously or illegally
17 collected sales and use tax, meals and rooms tax, alcoholic beverages tax, and
18 any associated local option tax by the license holder and the purchasers’ right
19 to request a refund for overpayments. The Department’s report shall include
20 recommendations for legislative action regarding the following:

1 one of the stated purposes of the organization is to acquire property or rights
2 and less than fee interest in property in order to preserve farmland or open-
3 space land, and provided that the property transferred, or rights and interests in
4 the property, will be held by the organization for this purpose. As used in this
5 section, “farmland” means real estate that will be actively operated or leased as
6 part of a farm enterprise, including dwellings and agricultural structures, and
7 “open-space land” ~~shall mean~~ means land without structures thereon.

8 * * *

9 (C)(i) Transfers from one organization qualifying under 26 U.S.C.
10 § 501(c)(3), as amended, to another organization qualifying under 26 U.S.C.
11 § 501(c)(3), provided the organizations are related organizations and the
12 Commissioner does not determine that a major purpose of the transaction is to
13 avoid the tax imposed under this chapter. As used in this subdivision (C),
14 “related organizations” means one organization holds 50 percent or more of the
15 membership interest of the other organization or one organization appoints or
16 elects, including the power to remove and replace, 50 percent or more of the
17 members of the other organization’s governing body.

18 (ii)(I) Notwithstanding subdivision (i) of this subdivision (C), a
19 transferee organization that receives property in a transfer exempt under
20 subdivision (i) of this subdivision (C) shall pay the tax imposed under this
21 chapter on the value of the property transferred if:

1 during the period of the individual’s residency in this State bears to the
2 individual’s total ~~earned~~ income.

3 * * * Pass-throughs; Composite Payment Rate for Nonresidents * * *

4 Sec. 12b. 32 V.S.A. § 5914(b) is amended to read:

5 (b) The Commissioner may upon request and for ease of administration
6 permit S corporations to file composite returns and to make composite
7 payments of tax on behalf of some or all of its nonresident shareholders. In
8 addition, the Commissioner may require an S corporation that has in excess of
9 50 nonresident shareholders to file composite returns and to make composite
10 payments at the ~~middle~~ second-highest marginal rate on behalf of all of its
11 nonresident shareholders.

12 Sec. 12c. 32 V.S.A. § 5920(b) is amended to read:

13 (b) The Commissioner may permit a partnership or limited liability
14 company to file composite returns and to make composite payments of tax on
15 behalf of some or all of its nonresident partners or members. In addition, the
16 Commissioner may require a partnership or limited liability company that has
17 in excess of 50 nonresident partners or members to file composite returns and
18 to make composite payments at the ~~middle~~ second-highest marginal rate on
19 behalf of all of its nonresident partners or members.

1 * * * SALT deduction cap workaround * * *

2 Sec. 12d. 32 V.S.A. chapter 151, subchapter 10C is added to read:

3 Subchapter 10C. Elective Pass-Through Entity Income Tax

4 § 5921a. DEFINITIONS

5 As used in this subchapter:

6 (1) “Distributive proceeds” means the net income, dividends, royalties,
7 interest, rents, guaranteed payments, and gains of a pass-through entity derived
8 from or connected with sources within the State.

9 (2) “Member” means:

10 (A) a member of a limited liability company taxed as a partnership or
11 S corporation for federal and state income tax purposes; a partner in a general,
12 limited, or limited liability partnership; or a shareholder of an S corporation,
13 provided the member is a natural person;

14 (B) a grantor trust that passes all income through to a grantor who is
15 subject to personal income tax on that income under section 5822 of this title;

16 or

17 (C) a single-member limited liability company disregarded for
18 federal income tax purposes.

19 (3) “Pass-through entity” means a limited liability company taxed as a
20 partnership or S corporation for federal and state income tax purposes, a

1 partnership, or an S corporation. “Pass-through entity” does not mean a
2 publicly traded partnership or a single-member limited liability company.

3 (4) “Pass-through entity business income tax” means the tax imposed
4 under this subchapter.

5 (5) “Share of distributive proceeds” means the portion of distributive
6 proceeds attributable to a member of a pass-through entity during a taxable
7 year.

8 § 5921b. PASS-THROUGH ENTITY INCOME TAX; ELECTION

9 (a) A pass-through entity may elect to be liable for and pay a pass-through
10 entity income tax during the taxable year, provided:

11 (1) at least one member of the entity is liable for income tax under this
12 chapter on that member’s share of distributive proceeds of the pass-through
13 entity during a taxable year;

14 (2) each member of the pass-through entity is a natural person, a single-
15 member limited liability company disregarded for federal income tax purposes,
16 or a grantor trust that passes all income through to a grantor who is subject to
17 personal income tax on that income under section 5822 of this title;

18 (3) no member is a C corporation or another pass-through entity; and

19 (4) consent is given by:

20 (A) each member of the electing entity who is a member at the time
21 the election is filed; or

1 (B) any officer, manager, or member of the electing entity who is
2 authorized, under law or the entity’s organizational documents, to make the
3 election and who represents having such authority under penalties of perjury.

4 (b) The tax imposed on a pass-through entity under this section shall be
5 equal to the sum of each member’s share of taxable distributive proceeds
6 attributable to the pass-through entity for the taxable year, multiplied by the
7 second-highest marginal tax rate in section 5822 of this chapter.

8 (c) The election under this section shall be made annually, on or before the
9 due date for filing the entity’s return as established by the Commissioner, and
10 shall not apply retroactively. An election made under this section shall be
11 binding on all members of the pass-through entity for the year in which the
12 election is made. If the members decide to revoke an election, that revocation
13 shall occur on or before the due date for filing the entity’s return.

14 (d) Each pass-through entity that makes an election for a taxable year under
15 this section shall annually report to each of its members the member’s share of
16 distributive proceeds for the taxable year.

17 (e) Each pass-through entity that makes an election for a taxable year under
18 this section shall file an entity tax return and make payments on or before the
19 15th day of the third month following the close of each entity’s taxable year as
20 determined for federal income tax purposes. A pass-through entity shall make
21 estimated entity tax payments as provided under subchapters 10A and 10B of

1 this chapter except that a pass-through entity shall make the estimated entity
2 tax payments for residents and nonresidents alike.

3 (f) An individual who is a member or who receives income from a
4 disregarded entity that is a member as defined in section 5921a of this title
5 shall not be liable for the personal income tax imposed under section 5822 of
6 this chapter and shall not be required to file a personal income tax return as
7 prescribed under section 5861 of this chapter, provided:

8 (1) the individual is a nonresident of this State; and

9 (2) the individual's only Vermont income during the taxable year is
10 derived from a pass-through entity that has paid the tax imposed under this
11 section on the individual's Vermont income.

12 § 5921c. REFUNDABLE INCOME TAX CREDIT; INDIVIDUAL

13 MEMBERS OF PASS-THROUGH ENTITIES

14 An individual taxpayer of this State shall be entitled to a refundable credit
15 against the income tax paid under this chapter for the taxable year, provided
16 the individual is a member or receives income from a disregarded entity that is
17 a member of a pass-through entity that elects under section 5921b of this
18 chapter to be liable for and pay the pass-through entity income tax during the
19 taxable year. For each pass-through entity of which the individual is a
20 member, the amount of the credit shall equal 87.5 percent of the individual's
21 pro rata share of the tax paid under section 5921b of this chapter for the

1 taxable year, and that credit shall be available to the individual during the same
2 taxable year. The credit under this section shall be available after the
3 application of all other credits allowed by law and claimed by the individual
4 during the taxable year.

5 Sec. 12e. 32 V.S.A. § 5825 is amended to read:

6 § 5825. CREDIT FOR TAXES PAID TO OTHER STATES AND
7 PROVINCES

8 * * *

9 (c) The credit claimed under this section shall include an amount of the tax
10 paid to another state that imposes a tax on the distributive proceeds of a pass-
11 through entity, provided the other state’s tax is substantially similar to the pass-
12 through entity income tax imposed under subchapter 10C of this chapter. The
13 nonrefundable credit under this subsection shall equal 87.5 percent of the
14 taxpayer’s pro rata share of tax paid to another state, provided the amount of
15 the credit does not exceed the amount of pass-through entity business income
16 tax owed or that would have been owed if the pro rata share of tax paid were
17 subject to the pass-through entity income tax under subchapter 10C of this
18 chapter. As used in this subsection, “distributive proceeds” and “pass-through
19 entity” have the same meanings as under section 5921a of this chapter.

1 Sec. 12f. REPEALS; SALT DEDUCTION CAP WORKAROUND

2 (a) 32 V.S.A. chapter 151, subchapter 10C (Elective Pass-Through Entity
3 Income Tax) is repealed.

4 (b) 32 V.S.A. § 5825(c) (credit for taxes paid to other states and provinces)
5 is repealed.

6 Fourth: By striking out Sec. 14, 32 V.S.A. § 6065, and its reader assistance
7 heading in their entirety and inserting in lieu thereof the following:

8 * * * Property Tax Credit; Filing Deadlines * * *

9 Sec. 14. [Deleted.]

10 Fifth: By striking out Sec. 16, effective dates, and its reader assistance
11 heading in their entirety and inserting in lieu thereof the following:

12 * * * Vermont Bond Bank * * *

13 Sec. 16. 24 V.S.A. chapter 119 is redesignated to read:

14 CHAPTER 119: ~~MUNICIPAL~~ VERMONT BOND BANK

15 Sec. 17. 24 V.S.A. § 4551 is amended to read:

16 § 4551. DEFINITIONS

17 ~~The following definitions shall apply throughout~~ As used in this chapter
18 ~~unless the context clearly requires otherwise:~~

19 (1) “Bank” means the Vermont ~~Municipal~~ Bond Bank established by
20 section 4571 of this title.

21 * * *

1 (14) “Revenue Bond Reserve Fund” means the Vermont ~~Municipal~~
2 Bond Bank Revenue Bond Reserve Fund established under section 4681 of
3 this title.

4 (15) “Revenue Fund” means the Vermont ~~Municipal~~ Bond Bank
5 Revenue Fund established under section 4683 of this title.

6 Sec. 18. 24 V.S.A. § 4571 is amended to read:

7 § 4571. ESTABLISHMENT

8 There is hereby established a body corporate and politic, with corporate
9 succession, to be known as the “Vermont ~~Municipal~~ Bond Bank.” The Bank is
10 hereby constituted as an instrumentality exercising public and essential
11 governmental functions, and the exercise by the Bank of the powers conferred
12 by this chapter are deemed to be an essential governmental function of the
13 State.

14 Sec. 19. 24 V.S.A. § 4571a is amended to read:

15 § 4571a. REPORTS

16 The Vermont ~~Municipal~~ Bond Bank shall prepare and submit, consistent
17 with 2 V.S.A. § 20(a), a report on activities for the preceding calendar year,
18 pursuant to section 4594 of this title.

1 Sec. 20. 24 V.S.A. § 4592 is amended to read:

2 § 4592. SUPPLEMENTARY POWERS

3 The Bank, in addition to any other powers granted in this chapter, has the
4 following powers:

5 * * *

6 (3) To establish any terms and provisions with respect to any loan to
7 governmental units through the purchase of municipal bonds or revenue bonds
8 by the Bank, including date and maturities of the bonds, provisions as to
9 redemption or payment prior to maturity, and any other matters ~~which~~ that are
10 necessary, desirable, or advisable in the judgment of the Bank.

11 * * *

12 (10) To issue bonds, other forms of indebtedness, or other financing
13 obligations or arrangements for projects relating to renewable energy, as
14 ~~defined in 30 V.S.A. § 8002(17), or to energy efficiency, climate adaptation,~~
15 and projects under subchapter 2 of chapter 87 of this title. Bonds shall be
16 ~~supported by both the general obligation and the assessment payment revenues~~
17 ~~of the participating municipality~~ that otherwise result in the reduction of
18 greenhouse gas emissions.

1 Sec. 21. 24 V.S.A. § 4652 is amended to read:

2 § 4652. WAIVER OF DEFENSES; RIGHTS OF HOLDER

3 On the sale and issuance of any municipal bonds or revenue bonds to the
4 Bank by any governmental unit, that governmental unit is deemed to agree that
5 on the failure of that governmental unit to pay interest or principal on any of
6 the municipal bonds or revenue bonds owned or held by the Bank when
7 payable, all defenses to nonpayment are waived; and further, with respect to
8 municipal bonds that constitute general obligation bonds supported by the full
9 faith and credit of the municipality, upon nonpayment and demand on that
10 governmental unit for payment, if funds are not available in its treasury to
11 make payment, the governing body of that governmental unit shall forthwith
12 assess a tax on the grand list of the governmental unit, sufficient to make
13 payment with 12 percent interest thereon, and cause the tax to be collected
14 within 60 days; and further, with respect to municipal bonds that do not
15 constitute general obligation bonds supported by the full faith and credit of the
16 municipality and revenue bonds, upon nonpayment and demand on that
17 governmental unit for payment, such governmental unit shall make payment
18 together with interest thereon of 12 percent, which shall be due and payable
19 within 60 days; and further, notwithstanding any other law, including any law
20 under which the municipal bonds or revenue bonds were issued by that
21 governmental unit, the Bank upon nonpayment is constituted a holder or owner

1 of the municipal bonds or revenue bonds as being in default. Also,
2 notwithstanding any other law as to time or duration of default or percentage of
3 holders or owners of bonds entitled to exercise rights of holders or owners of
4 bonds in default, or to invoke any remedies or powers thereof or of any trustee
5 in connection therewith or of any board, body, agency, or commission of the
6 State having jurisdiction in the matter or circumstance, the Bank may
7 thereupon avail itself of all other remedies, rights, and provisions of law
8 applicable in that circumstance, and the failure to exercise or exert any rights
9 or remedies within any time or period provided by law may not be raised as a
10 defense by the governmental unit. All of the bonds of the issue of municipal
11 bonds or revenue bonds of a governmental unit on which there is nonpayment,
12 are for all of the purposes of this section deemed to be due and payable and
13 unpaid. The Bank may carry out the provisions of this section and exercise all
14 of the rights and remedies and provisions of law provided or referred to in this
15 section.

16 Sec. 22. 24 V.S.A. § 4676 is amended to read:

17 § 4676. GENERAL FUND

18 * * *

19 (b) Any monies in the General Fund may, subject to any contracts between
20 the Bank and its bondholders or noteholders, be transferred to the Reserve
21 Fund established pursuant to section 4671 of this title, or if not so transferred,

1 shall be used for the payment of the principal of or interest on bonds or notes
2 of the Bank presently outstanding and any bonds or notes on a parity therewith,
3 and any bonds or notes issued to refund such bonds or notes, all when they
4 become due and payable, whether at maturity or upon redemption including
5 payment of any premium upon redemption prior to maturity, and any monies in
6 the General Fund may be used ~~for the purchase of municipal bonds~~ to make
7 loans to governmental units under this chapter and for all other purposes of the
8 Bank including payment of its operating expenses.

9 Sec. 23. 24 V.S.A. § 4683 is amended to read:

10 § 4683. REVENUE FUND

11 (a) The Bank shall establish and maintain a fund called the “Revenue
12 Fund” in which there shall be deposited:

13 * * *

14 (3) monies received by the Bank as payments of principal of or interest
15 on municipal bonds or revenue bonds purchased by the Bank, or received as
16 proceeds of sale of any municipal bonds or revenue bonds or investment
17 obligations of the Bank, or otherwise in repayment of loans made by the Bank,
18 or received as proceeds of sale of bonds or notes of the Bank, and required
19 under the terms of any resolution of the Bank or contract with the holders of its
20 bonds or notes to be deposited therein;

21 * * *

1 (b) Any monies in the Revenue Fund may, subject to any contracts between
2 the Bank and its bondholders or noteholders, be transferred to the Revenue
3 Bond Reserve Fund, or if not so transferred, shall be used for the payment of
4 the principal of or interest on bonds or notes of the Bank as provided by
5 resolution of the Bank when they become due and payable, whether at maturity
6 or upon redemption including payment of any premium upon redemption prior
7 to maturity, and any monies in the Revenue Fund may be used ~~for the purchase~~
8 ~~of municipal bonds and revenue bonds~~ for making loans to governmental units
9 under this chapter and for all other purposes of the Bank including payment of
10 its operating expenses.

11 Sec. 24. 24 V.S.A. § 4703 is amended to read:

12 § 4703. POWERS OF TRUSTEE ON DEFAULT

13 A trustee appointed under section 4702 of this title may, and shall in ~~his or~~
14 ~~her or it's~~ the trustee's name, upon written request of the holders of 25 per
15 centum in principal amount of the outstanding notes or bonds:

16 (1) By suit, action, or proceeding, enforce all rights of the noteholders or
17 bondholders, including the right to require the Bank to collect rates, charges,
18 and other fees and to collect interest and amortization payments on loans made
19 to governmental units and on municipal bonds, revenue bonds, and notes held
20 by it adequate to carry out any agreement as to, or pledge of, the rates, charges,
21 and other fees and of the interest and amortization payments, and to require the

1 Bank to carry out any other agreements with the holders of the notes or bonds
2 and to perform its duties under this chapter;

3 * * * Study of Financing Public Infrastructure Improvements * * *

4 Sec. 25. FINANCING PUBLIC INFRASTRUCTURE IMPROVEMENTS;

5 JOINT FISCAL OFFICE; REPORT

6 (a) On or before January 15, 2024, the Joint Fiscal Office shall submit a
7 report to the House Committee on Ways and Means and the Senate Committee
8 on Finance on financing public infrastructure improvements in Vermont
9 municipalities. The report shall include the following:

10 (1) a review of public infrastructure financing programs in other states
11 and municipalities that may be implemented in Vermont;

12 (2) recommendations for aligning State and federal assistance for public
13 infrastructure; and

14 (3) recommendations for harmonizing or expanding existing
15 infrastructure improvement programs and distribution of funding.

16 (b) The Joint Fiscal Office is authorized to submit the report described in
17 subsection (a) of this section in the form of an issue brief or hire a consultant to
18 perform the research and draft the report. If a consultant is hired, then the Joint
19 Fiscal Office may use an amount not to exceed \$50,000 for any associated
20 costs from legislative funds.

1 by the legal voters of the municipality in accordance with section 1894 of this
2 subchapter and, if not included in the tax increment financing plan approved
3 under subsection 1894(d) of this subchapter, is also considered a substantial
4 change and subject to the review process provided by subdivision 1901(2)(B)
5 of this subchapter. If interfund loans within the municipality are used as the
6 method of financing, no interest shall be charged. Bond anticipation notes may
7 be used as a method of financing; provided, however, that bond anticipation
8 notes shall not be considered a first incurrence of debt pursuant to subsection
9 1894(a) of this subchapter.

10 * * *

11 Sec. 27. 24 V.S.A. § 1895 is amended to read:

12 § 1895. ORIGINAL TAXABLE VALUE

13 (a) Certification. As of the date the district is created, the lister or assessor
14 for the municipality shall certify the original taxable value and shall certify to
15 the legislative body in each year thereafter during the life of the district the
16 amount by which the total valuation as determined in accordance with
17 32 V.S.A. chapter 129 of all taxable real property located within the tax
18 increment financing district has increased or decreased relative to the original
19 taxable value.

1 (b) Boundary of the district. No adjustments to the physical boundary lines
2 of a district shall be made after the approval of a tax increment financing
3 district plan.

4 Sec. 28. 24 V.S.A. § 1896 is amended to read:

5 § 1896. TAX INCREMENTS

6 (a) In each year following the creation of the district, the listers or assessor
7 shall include ~~no~~ not more than the original taxable value of the real property in
8 the assessed valuation upon which the treasurer computes the rates of all taxes
9 levied by the municipality and every other taxing district in which the tax
10 increment financing district is situated; but the treasurer shall extend all rates
11 so determined against the entire assessed valuation of real property for that
12 year. In each year ~~for which the assessed valuation exceeds the original~~
13 ~~taxable value~~, the municipality shall hold apart, rather than remit to the taxing
14 districts, that proportion of all taxes paid that year on the real property in the
15 district ~~which~~ that the excess valuation bears to the total assessed valuation.
16 The amount held apart each year is the “tax increment” for that year. ~~No~~ Not
17 more than the percentages established pursuant to section 1894 of this
18 subchapter of the municipal and State education tax increments received with
19 respect to the district and committed for the payment for financing for
20 improvements and related costs shall be segregated by the municipality in a
21 special tax increment financing account and in its official books and records

1 until all capital indebtedness of the district has been fully paid. The final
2 payment shall be reported to the treasurer, who shall thereafter include the
3 entire assessed valuation of the district in the assessed valuations upon which
4 municipal and other tax rates are computed and extended and thereafter no
5 taxes from the district shall be deposited in the district's tax increment
6 financing account.

7 * * *

8 (e) In each year, a municipality shall remit not less than the aggregate tax
9 due on the original taxable value to the Education Fund.

10 Sec. 29. 32 V.S.A. § 5404a is amended to read:

11 § 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT

12 FINANCING DISTRICTS

13 (a) A tax agreement or exemption shall affect the education property tax
14 grand list of the municipality in which the property subject to the agreement is
15 located if the agreement or exemption is:

16 * * *

17 (b)(1) An agreement affecting the education property tax grand list defined
18 under subsection (a) of this section shall reduce the municipality's education
19 property tax liability under this chapter for the duration of the agreement or
20 exemption without extension or renewal, and for a maximum of 10 years. A
21 municipality's property tax liability under this chapter shall be reduced by any

1 difference between the amount of the education property taxes collected on the
2 subject property and the amount of education property taxes that would have
3 been collected on such property if its fair market value were taxed at the
4 equalized nonhomestead rate for the tax year.

5 (2) Notwithstanding any other provision of law, if a municipality has
6 entered into an agreement that reduces the municipality’s education property
7 tax liability under this chapter and the municipality establishes a tax increment
8 financing district under 24 V.S.A. chapter 53, subchapter 5, the municipality’s
9 municipal and education tax increment shall be calculated based on the
10 assessed value of the properties in the municipality’s grand list and not on the
11 stabilized value.

12 * * *

13 Sec. 30. TAX INCREMENT FINANCING DISTRICT; CITY OF BARRE;
14 EXTENSION; INCREMENT

15 (a) Notwithstanding 2021 Acts and Resolves No. 73, Sec. 26a, amending
16 2020 Acts and Resolves No. 175, Sec. 29, or any other provision of law, the
17 authority of the City of Barre to incur indebtedness is hereby extended to
18 March 31, 2026.

19 (b) Notwithstanding any other provision of law, the authority of the City of
20 Barre to retain municipal and education tax increment is hereby extended until
21 December 31, 2039.

1 Sec. 31. 2020 Acts and Resolves No. 111, Sec. 1 is amended to read:

2 Sec. 1. TAX INCREMENT FINANCING DISTRICT; TOWN OF
3 HARTFORD

4 Notwithstanding any other provision of law, the authority of the Town of
5 Hartford to:

6 (1) incur indebtedness for its tax increment financing district is hereby
7 extended for three years beginning on March 31, 2021. This extension does
8 not extend any period that municipal or education tax increment may be
9 retained until March 31, 2026; and

10 (2) retain municipal and education tax increment is hereby extended
11 until December 31, 2036.

12 * * * Vermont Economic Growth Incentive; Sunset * * *

13 Sec. 32. 2016 Acts and Resolves No. 157, Sec. H.12, as amended by 2022
14 Acts and Resolves No. 164, Sec. 5, is further amended to read:

15 Sec. H.12. VEGI; REPEAL OF AUTHORITY TO AWARD
16 INCENTIVES

17 Notwithstanding any provision of law to the contrary, the Vermont
18 Economic Progress Council shall not accept or approve an application for a
19 Vermont Employment Growth Incentive under 32 V.S.A. chapter 105,
20 subchapter 2 on or after January 1, ~~2024~~ 2027.

21 * * * Workers' Compensation * * *

1 (2) In the event that the General Assembly does not establish the rate of
2 contribution for the direct calendar year premium for workers' compensation
3 insurance for a given fiscal year, the rate shall remain unchanged from the
4 prior fiscal year.

5 Sec. 35. 2014 Acts and Resolves No. 199, Sec. 54b is amended to read:

6 Sec. 54b. 21 V.S.A. § 643a is added to read:

7 § 643a. DISCONTINUANCE OF BENEFITS

8 Unless an injured worker has successfully returned to work, an employer
9 shall notify both the Commissioner and the employee prior to terminating
10 benefits under either section 642 or 646 of this title. The notice of intention to
11 discontinue payments shall be filed on forms prescribed by the Commissioner
12 and shall include the date of the proposed discontinuance, the reasons for it,
13 and, if the employee has been out of work for 90 days, a verification that the
14 employer offered vocational rehabilitation screening and services as required
15 under this chapter. All relevant evidence, including evidence that does not
16 support discontinuance in the possession of the employer not already filed,
17 shall be filed with the notice. The liability for the payments shall continue for
18 seven days after the notice is received by the Commissioner and the employee.

19 If the claimant disputes the discontinuance, the claimant may file with
20 the Commissioner an objection to the discontinuance and seek an extension
21 of 14 days. The objection to the discontinuance shall be specific as to the

1 reasons and include supporting evidence. A copy of the objection shall be
2 provided to the employer at the time the request is made to the Commissioner.
3 ~~Those~~ The payments shall be made without prejudice to the employer and may
4 be deducted from any amounts due pursuant to section 648 of this title if the
5 Commissioner determines that the discontinuance is warranted or if otherwise
6 ordered by the Commissioner. Every notice shall be reviewed by the
7 Commissioner to determine the sufficiency of the basis for the proposed
8 discontinuance. If, after review of all the evidence in the file, the
9 Commissioner finds that a preponderance of all the evidence in the file does
10 not reasonably support the proposed discontinuance, the Commissioner shall
11 order that payments continue until a hearing is held and a decision is rendered.
12 Prior to a formal hearing, an injured worker may request reinstatement of
13 benefits by providing additional new evidence to the Department that
14 establishes that a preponderance of all evidence now supports the claim. If the
15 Commissioner's decision, after a hearing, is that the employee was not entitled
16 to any or all benefits paid between the discontinuance and the final decision,
17 upon request of the employer, the Commissioner may order that the employee
18 repay all benefits to which the employee was not entitled. The employer may
19 enforce a repayment order in any court of law having jurisdiction.

1 workaround) shall take effect retroactively on January 1, 2023 and shall apply
2 to taxable years beginning on and after January 1, 2023.

3 (3) Sec. 12f (repeals; SALT deduction cap workaround) shall take effect
4 on the later of December 31, 2025 or the date on which the federal limitation
5 on individual deductions for state and local taxes under 26 U.S.C. § 164(b)(6)
6 is repealed or otherwise abrogated.

7

8

9

10

11 (Committee vote: _____)

12

13

Senator _____

14

FOR THE COMMITTEE