

H.884

An act relating to miscellaneous tax changes

It is hereby enacted by the General Assembly of the State of Vermont:

* * * Technical and Administrative Provisions * * *

* * * Personal and Corporate Income Taxes * * *

Sec. 1. 32 V.S.A. § 5862d is amended to read:

§ 5862d. FILING OF FEDERAL FORM 1099

(a) Any individual or business required to file a federal form 1099 with respect to a nonresident who performed services within the State during the taxable year shall file a copy of the form with the Department. The Commissioner may authorize electronic filing of the form.

(b) Any individual or business required to file information returns pursuant to 26 U.S.C. § 6050W shall within 30 days of the date the filing is due to the Internal Revenue Service file with the Commissioner a duplicate of such information returns on which the recipient has a Vermont address. The Commissioner may authorize electronic filing of the form.

Sec. 2. 32 V.S.A. § 5862(c) is amended to read:

(c) Taxable corporations which received any income allocated or apportioned to this State under the provisions of section 5833 of this title for the taxable year and which under the laws of the United States constitute an affiliated group of corporations may elect to file a consolidated return in lieu of

separate returns if such corporations qualify and elect to file a consolidated federal income tax return for that taxable year. Such an election to file a Vermont consolidated return shall continue for five years, including the year the election is made.

Sec. 3. 32 V.S.A. § 5930b(c)(9) is amended to read:

(9) Incentive claims must be filed annually no later than the last day of April of ~~each the current year of the~~ for the prior year's utilization period. For a claim to be considered a timely filing and eligible for an incentive payment, all forms and workbooks must be complete and all underlying documentation, such as that required pursuant to subsection 5842(c) of this title, must be filed with the Department of Taxes. Incomplete claims may be considered to have been timely filed if a complete claim is filed within the time prescribed by the Department of Taxes. If a claim is not filed each year of the utilization period, any incentive installment previously paid shall be recaptured in accordance with subsection (d) of this section and upon notice from the Department of Taxes that the business failed to file a complete timely claim, the Vermont Economic Progress Council shall revoke all authority for the business to earn and claim incentives under this subchapter. The incentive return shall be subject to all provisions of this chapter governing the filing of tax returns. No interest shall be paid by the Department of Taxes for any reason with respect to incentives allowed under this section.

Sec. 4. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect for taxable year ~~2012~~ 2013, but without regard to federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the tax liability under this chapter.

Sec. 5. 32 V.S.A. § 7475 is amended to read:

§ 7475. ADOPTION OF FEDERAL ESTATE AND GIFT TAX LAWS

The laws of the United States relating to federal estate and gift taxes as in effect on December 31, ~~2012~~ 2013, are hereby adopted for the purpose of computing the tax liability under this chapter, except:

(1) the credit for State death taxes shall remain as provided for under 26 U.S.C. §§ 2011 and 2604 as in effect on January 1, 2001;

(2) the applicable credit amount shall under 26 U.S.C. § 2010 shall not apply; and the tax imposed under section 7442a of this chapter shall be calculated as if the applicable exclusion amount under 26 U.S.C. § 2010 were \$2,750,000.00; and

(3) the deduction for State death taxes under 26 U.S.C. § 2058 shall not apply.

* * * Property Taxes * * *

Sec. 6. 32 V.S.A. § 3436(b) is amended to read:

(b) The director shall ~~determine~~ establish designations recognizing levels of achievement and the necessary course work or evaluation of equivalent experience required ~~for to attain each~~ for to attain each designation as ~~Vermont lister/assessor, Vermont property evaluator, and Vermont municipal assessor.~~ Designation for any one level shall be for a period of three years.

Sec. 7. 32 V.S.A. § 5408(a) is amended to read:

(a) Not later than ~~30~~ 35 days after ~~the receipt by its clerk~~ mailing of a notice under section 5406 of this title, a municipality may petition the Director of the Division of Property Valuation and Review for a redetermination of the municipality's equalized education property value and coefficient of dispersion. Such petition shall be in writing and shall be signed by the chair of the legislative body of the municipality or its designee.

Sec. 8. 32 V.S.A. § 5410(g) is amended to read:

(g) If the property identified in a declaration under subsection (b) of this section is not the taxpayer's homestead, or if the owner of a homestead fails to declare a homestead as required under this section, the Commissioner shall notify the municipality, and the municipality shall issue a corrected tax bill that may, as determined by the governing body of the municipality, include a penalty of up to three percent of the education tax on the property. ~~If~~

However, if the property incorrectly declared as a homestead is located in a municipality that has a lower homestead tax rate than the nonresidential tax rate, ~~the penalty shall be an amount equal to eight percent of the education tax on the property, but if the homestead tax rate is higher than the nonresidential tax rate, the penalty shall be in an amount equal to three percent of the education tax on the property.~~ If an undeclared homestead is located in a municipality that has a lower nonresidential tax rate than the homestead tax rate, ~~the penalty shall be eight percent of the education tax liability on the property, but if the nonresidential tax rate is higher than the homestead tax rate, then the penalty shall be in an amount equal to three percent of the education tax on the property~~ or if an undeclared homestead is located in a municipality that has a lower nonresidential tax rate than the homestead tax rate, then the governing body of the municipality may include a penalty of up to eight percent of the education tax liability on the property. If the Commissioner determines that the declaration or failure to declare was with fraudulent intent, then the municipality shall assess the taxpayer a penalty in an amount equal to 100 percent of the education tax on the property; plus any interest and late-payment fee or commission which may be due. Any penalty imposed under this section and any additional property tax interest and late-payment fee or commission shall be assessed and collected by the municipality in the same manner as a property tax under chapter 133 of this title. Notwithstanding

section 4772 of this title, issuance of a corrected bill issued under this section does not extend the time for payment of the original bill, nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

Sec. 9. 32 V.S.A. § 5410(i) is amended to read:

(i) An owner filing a new or corrected declaration, or rescinding an erroneous declaration, after ~~September 1~~ October 15 shall not be entitled to a refund resulting from the correct property classification; and any additional property tax and interest which would result from the correct classification shall not be assessed as tax and interest, but shall instead constitute an additional penalty, to be assessed and collected in the same manner as penalties under subsection (g) of this section. Any change in property classification under this subsection shall not be entered on the grand list.

Sec. 10. 32 V.S.A. § 6066a(f) is amended to read:

(f) Property tax bills.

(1) For taxpayers and amounts stated in the notice to towns on July 1, municipalities shall create and send to taxpayers a homestead property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead education property tax liabilities and notice of the balance due. Municipalities shall apply the amount

allocated under this chapter to current-year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes.

Notwithstanding section 4772 of this title, if a town issues a corrected bill as a result of the November 1 notice sent by the Commissioner under subsection (a) of this section, issuance of such corrected new bill does not extend the time for payment of the original bill, nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

(2) For property tax adjustment amounts for which municipalities receive notice ~~on or~~ after November 1, municipalities shall issue a new homestead property tax bill with notice to the taxpayer of the total amount allocated to payment of homestead property tax liabilities and notice of the balance due.

(3) The property tax adjustment amount determined for the taxpayer shall be allocated first to current-year property tax on the homestead parcel, next to current-year homestead parcel penalties and interest, next to any prior year homestead parcel penalties and interest, and last to any prior year property tax on the homestead parcel. No adjustment shall be allocated to a property tax liability for any year after the year for which the claim or refund allocation was

filed. No municipal tax-reduction incentive for early payment of taxes shall apply to any amount allocated to the property tax bill under this chapter.

(4) If the property tax adjustment amount as described in subsection (e) of this section exceeds the property tax, penalties, and interest, due for the current and all prior years, the municipality shall refund the excess to the taxpayer, without interest, within 20 days of the first date upon which taxes become due and payable or 20 days after notification of the adjustment amount by the Commissioner of Taxes, whichever is later.

* * * Meals and Rooms Tax * * *

Sec. 11. 32 V.S.A. § 9202(10)(D)(ii)(X) is amended to read:

(X) purchased ~~with food stamps~~ under the U.S.D.A. Supplemental Nutrition Assistance Program (SNAP);

* * * Property Transfer Tax * * *

Sec. 12. 32 V.S.A. § 9608(a) is amended to read:

(a) Except as to transfers which are exempt pursuant to subdivision 9603(17) of this title, no town clerk shall record, or receive for recording, any deed to which is not attached a properly executed transfer tax return, complete and regular on its face, and a certificate in the form prescribed by the Natural Resources Board and the Commissioner of Taxes ~~signed under oath by the seller or the seller's legal representative,~~ that the conveyance of the real property and any development thereon by the seller is in compliance with or

exempt from the provisions of 10 V.S.A. chapter 151. The certificate shall indicate whether or not the conveyance creates the partition or division of land. If the conveyance creates a partition or division of land, there shall be appended the current "Act 250 Disclosure Statement," required by 10 V.S.A. § 6007. A town clerk who violates this section shall be fined \$50.00 for the first such offense and \$100.00 for each subsequent offense. A person who purposely or knowingly falsifies any statement contained in the certificate required is punishable by fine of not more than \$500.00 or imprisonment for not more than one year, or both.

* * * Policy and Revenue Provisions * * *

* * * Shared Equity Housing * * *

Sec. 13. 32 V.S.A. § 3481 is amended to read:

§ 3481. DEFINITIONS

The following definitions shall apply in this Part and chapter 101 of this title, pertaining to the listing of property for taxation:

(1)(A) "Appraisal value" shall mean, with respect to property enrolled in a use value appraisal program, the use value appraisal as defined in subdivision 3752(12) of this title, multiplied by the common level of appraisal, and with respect to all other property, except for owner-occupied housing identified in subdivision (C) of this section, the estimated fair market value. The estimated fair market value of a property is the price ~~which~~ that the property will bring in

the market when offered for sale and purchased by another, taking into consideration all the elements of the availability of the property, its use both potential and prospective, any functional deficiencies, and all other elements such as age and condition which combine to give property a market value. Those elements shall include ~~a consideration of a decrease in value in nonrental residential property due to a housing subsidy covenant as defined in 27 V.S.A. § 610, or~~ the effect of any ~~state~~ State or local law or regulation affecting the use of land, including 10 V.S.A. chapter 151 or any land capability plan established in furtherance or implementation thereof, rules adopted by the State Board of Health and any local or regional zoning ordinances or development plans. In determining estimated fair market value, the sale price of the property in question is one element to consider, but is not solely determinative.

* * *

(C) For owner-occupied housing that is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, imposed by a governmental, quasi-governmental, or public purpose entity, that limits the price for which the property may be sold, the housing subsidy covenant shall be deemed to cause a material decrease in the value of the owner-occupied housing, and the appraisal value means not more than 70 percent of what the fair market value of the property would be if it were not subject to the housing subsidy covenant.

(2) "Listed value" shall be an amount equal to 100 percent of the appraisal value. The ratio shall be the same for both real and personal property.

* * * Solar Capacity Tax * * *

Sec. 14. 32 V.S.A. § 3802(17) is amended to read:

(17) Real and personal property, except land, composing a renewable energy plant generating electricity from solar power, ~~to the extent the plant is exempt from taxation under chapter 215 of this title~~ which has a plant capacity of less than 50 kW and is either:

(A) operated on a net metered system; or

(B) not connected to the electric grid and provides power only on the property on which the plant is located.

Sec. 15. 32 V.S.A. § 3481(1)(D) is added to read:

(D)(i) For real and personal property comprising a renewable energy plant generating electricity from solar power, except land and property that is exempt under subdivision 3802(17) of this title, appraisal value shall be determined by an income capitalization or discounted cash flow approach which includes the following:

(I) an appraisal model identified and published by the Director employing appraisal industry standards and inputs;

(II) a discount rate determined and published annually by the Director;

(III) the appraisal value shall be 70 percent of the value calculated using the model published by the Director based on an expected 25-year project life and shall be set in the grand list next lodged after the plant is commissioned and each subsequent grand list for the lesser of the remaining life of the project or 25 years;

(IV) for the purposes of calculating appraisal value for net metered systems receiving a credit specified in 30 V.S.A. § 219a (h)(1)(k), the model used to calculate value will not incorporate a factor for electricity rate escalation;

(V) for plants operating as a net metered system as described in 30 V.S.A. § 219a with a capacity of 50 kW or greater, the plant capacity used to determine value in the model shall be reduced by 50 kW and the appraisal value shall be calculated only on additional capacity in excess of 50 kW.

(ii) The owner of a project shall respond to a request for information from the municipal assessing officials by returning the information sheet describing the project in the form specified by the Director not later than 45 days after the request for information is sent to the owner. If the owner does not provide a complete and timely response, the municipality shall determine appraisal value using the published model and the best estimates of

the inputs to the model available to the municipality at the time, and the provisions of section 4006 of this title shall apply to the information form in the same manner as if the information form were an inventory as described in that section. Nothing in this subdivision (1) shall affect the availability of the exemption set forth in the provisions of section 3845 of this title or availability of a contract under the provisions of 24 V.S.A. § 2741.

Sec. 16. 32 V.S.A. § 3845 is amended to read:

§ 3845. ~~ALTERNATE~~ RENEWABLE ENERGY SOURCES

(a) At an annual or special meeting warned for that purpose, a town may, by a majority vote of those present and voting, exempt ~~alternate~~ renewable energy sources, as defined herein, from real and personal property taxation. Such exemption shall first be applicable against the grand list of the year in which the vote is taken and shall continue until voted otherwise, in the same manner, by the town.

(b) ~~For the purposes of~~ As used in this section, alternate renewable energy sources includes any plant, structure or facility used for the generation of electricity or production of shall have the same meaning as in 30 V.S.A. § 8002(17) for energy used on the premises for private, domestic, or agricultural purposes, no part of which may be for sale or exchange to the public. The term shall include, ~~but not be limited to~~ grist mills, windmills, facilities for the collection of solar energy or the conversion of organic matter

to methane, net metering systems regulated by the Public Service Board under 30 V.S.A. § 219a, and all component parts thereof ~~including, but excluding~~ land upon which the facility is located, ~~not to exceed one half acre.~~

Sec. 17. 32 V.S.A. § 8701(c) is amended to read:

(c) A renewable energy plant that generates electricity from solar power shall be exempt from taxation under this section if it has a plant capacity ~~equal to or less than 10 kW~~ less than 50kW.

Sec. 18. 2012 Acts and Resolves No. 127, Sec. 4 is amended to read:

Sec. 4. ~~PROSPECTIVE REPEAL;~~ REPORT

~~32 V.S.A. §§ 8701(c) and 3802(17) (exemptions for small renewable energy plants) shall be repealed on January 1, 2023.~~ By January 15, 2021, the ~~department of taxes~~ Department of Taxes shall report to the ~~senate committees on finance and on natural resources and energy and the house committees on ways and means and on natural resources and energy~~ Senate Committees on Finance and on Natural Resources and Energy and the House Committees on Ways and Means and on Natural Resources and Energy with a recommendation on whether the exemptions in 32 V.S.A. §§ 8701(c) and 3802(17) should be retained or allowed to be repealed and whether the rate of tax in 32 V.S.A. § 8701(b) should be altered.

* * * Wood Products Manufacturer's Credit * * *

Sec. 19. 32 V.S.A. § 5930y is added to read:

§ 5930y. WOOD PRODUCTS MANUFACTURE TAX CREDIT

(a) Definitions. The Secretary of Commerce and Community Development, annually on or before February 1, shall designate any two adjacent counties having at least four percent of their combined jobs provided by employers that manufacture finished wood products and having the highest combined unemployment rate in the State for at least one month in the previous calendar year. Upon making a designation, the Secretary shall send a written notice to the Commissioner of Taxes identifying the designated counties.

(b) Credit. A credit against the income tax liability is available as follows:

(1) A credit of two percent of the wages paid in the taxable year by an employer for services performed in the designated counties associated with the manufacture of finished wood products. The credit shall be available to the employer in any year the counties qualify and for one year after a qualification ends. As used in this section, "finished wood products" means wood products that are manufactured into the form in which they are offered for sale to consumers.

(2) The credit, either alone or in combination with any other credit allowed by this chapter, shall not reduce the income tax liability of the employer by more than 80 percent.

(3) The recapture of development incentives established in 3 V.S.A. chapter 47, subchapter 6 shall apply to the tax credits in this section, except that the provisions of subsection 2512(c) of that title shall not apply to a business relocation outside the designated counties.

(c) Statutory purpose. The statutory purpose of the Vermont wood products manufacture credit in this section is to support Vermont's wood products manufacturers and wood industry in high unemployment areas of the State.

Sec. 20. WOOD PRODUCT MANUFACTURE STUDY

The Secretary of Commerce and Community Development, in consultation with the Department of Taxes, shall study and recommend economic and tax incentives to ensure wood products manufacturers remain in Vermont, and that they thrive in Vermont. The Secretary shall report his or her findings and recommendations to the Senate Committee on Finance and the House Committee on Ways and Means on or before January 15, 2015.

* * * Downtown and Village Center Tax Credits * * *

Sec. 21. 32 V.S.A. § 5930ee(1) is amended to read:

(1) The total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed ~~\$1,700,000.00~~ \$2,200,000.00.

Sec. 22. 32 V.S.A. § 9741(39) is amended to read:

(39) Sales of building materials within any three consecutive years:

(i) in excess of one million dollars in purchase value, which may be reduced to \$250,000.00 in purchase value upon approval of the Vermont Economic Progress Council pursuant to section 5930a of this title, used in the construction, renovation, or expansion of facilities which are used exclusively, except for isolated or occasional uses, for the manufacture of tangible personal property for sale; ~~or~~

(ii) ~~in excess of \$250,000.00 in purchase value incorporated into a downtown redevelopment project as defined by rule by the Commissioner of Housing and Community Affairs; provided that the municipality is not receiving an allocation of sales tax receipts pursuant to section 9819 of this title.~~

Sec. 23. FLOOD-RELATED PAYMENTS

Notwithstanding that the credit for qualified expenditures resulting from damage caused by a federally declared disaster in Vermont in 2011 authorized

by 32 V.S.A. § 5930bb(d) is limited to individuals, a refundable credit not to exceed \$88,800.00 may be made to Latchis Arts Inc. for flood damage expenditures that would qualify under section 5930bb if made by an individual. The credit under this section shall be made subject to the credit limit under 32 V.S.A. § 5930bb.

* * * Research and Development Expense * * *

Sec. 24. 32 V.S.A. § 5930ii is amended to read:

§ 5930ii. RESEARCH AND DEVELOPMENT TAX CREDIT

(a) A qualified taxpayer of this State shall be eligible for a credit against the tax imposed under this chapter in an amount equal to ~~30 percent~~ 24 percent of the amount of the federal tax credit allowed in the taxable year for eligible research and development expenditures under 26 U.S.C. § 41(a) and which are made within this State.

(b) Any unused credit available under subsection (a) of this section may be carried forward for up to 10 years.

(c) As used in this section, "qualified taxpayer" means a taxpayer entitled to a credit under subsection (a) of this section and who has applied and been approved for a credit by the Department of Taxes under the requirements of this section.

(d) To qualify for a credit under this section, a taxpayer shall apply to the Department of Taxes for a credit on or before September 15 of a given year.

The application shall contain any information required by the Department of Taxes, but shall include the name of the taxpayer, the amount of the credit being applied for, the type of the qualified expenditure, and the year the qualified expenditure was made within this State. On or before December 15 of that same year, the Commissioner shall notify the taxpayer of the amount of the credit for which he or she is approved. The Department of Taxes is authorized to adopt rules and procedures, and publish the appropriate forms and information necessary to implement this section.

(e) In order to qualify for a credit under this section, the taxpayer shall be required to waive any claim to confidentiality regarding the fact that the taxpayer was approved for any credit under this section by the Department of Taxes. The fact that a taxpayer was approved for any amount of the credit under this section shall not be considered a return or return information under section 3102 of this title, and such information shall not be exempt from public inspection and copying under any other provision of law.

(f) Each year, on or before January 15, the Department of Taxes shall publish a list containing the names of the taxpayers approved for a credit under this section.

* * * Tobacco * * *

Sec. 25. 32 V.S.A. § 7702(15) is amended to read:

(15) “Other tobacco products” means any product manufactured from, derived from, or containing tobacco that is intended for human consumption by smoking, chewing, or in any other manner, including products sold as a tobacco substitute, as defined in 7 V.S.A. § 1001(8); but shall not include cigarettes, little cigars, roll-your-own tobacco, snuff, or new smokeless tobacco as defined in this section.

Sec. 26. 32 V.S.A. § 7811 is amended to read:

§ 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

There is hereby imposed and shall be paid a tax on all other tobacco products, snuff, and new smokeless tobacco possessed in the State of Vermont by any person for sale on and after July 1, 1959 which were imported into the State or manufactured in the State after that date, except that no tax shall be imposed on tobacco products sold under such circumstances that this State is without power to impose such tax, or sold to the United States, or sold to or by a voluntary unincorporated organization of the Armed Forces of the United States operating a place for the sale of goods pursuant to regulations promulgated by the appropriate executive agency of the United States. The tax is intended to be imposed only once upon the wholesale sale of any other tobacco product and shall be at the rate of 92 percent of the wholesale price for

all tobacco products except snuff, which shall be taxed at ~~\$1.87~~ \$2.18 per ounce, or fractional part thereof, new smokeless tobacco, which shall be taxed at the greater of ~~\$1.87~~ \$2.18 per ounce or, if packaged for sale to a consumer in a package that contains less than 1.2 ounces of the new smokeless tobacco, at the rate of ~~\$2.24~~ \$2.62 per package, and cigars with a wholesale price greater than \$2.17, which shall be taxed at the rate of \$2.00 per cigar if the wholesale price of the cigar is greater than \$2.17 and less than \$10.00, and at the rate of \$4.00 per cigar if the wholesale price of the cigar is \$10.00 or more. Provided, however, that upon payment of the tax within 10 days, the distributor or dealer may deduct from the tax two percent of the tax due. It shall be presumed that all other tobacco products, snuff, and new smokeless tobacco within the State are subject to tax until the contrary is established and the burden of proof that any other tobacco products, snuff, and new smokeless tobacco are not taxable hereunder shall be upon the person in possession thereof. Licensed wholesalers of other tobacco products, snuff, and new smokeless tobacco shall state on the invoice whether the price includes the Vermont tobacco products tax.

Sec. 27. 32 V.S.A. § 7814 is amended to read:

§ 7814. FLOOR STOCK TAX

(a) Snuff. A floor stock tax is hereby imposed upon every ~~retailer~~ retail dealer of snuff in this State in the amount by which the new tax exceeds the

amount of the tax already paid on the snuff. The tax shall apply to snuff in the possession or control of the ~~retailer~~ retail dealer at 12:01 a.m. ~~o'clock~~ on July 1, ~~2006~~ 2014, but shall not apply to ~~retailers~~ retail dealers who hold less than \$500.00 in wholesale value of such snuff. Each ~~retailer~~ retail dealer subject to the tax shall, on or before July 25, ~~2006~~ 2014, file a report to the Commissioner in such form as the Commissioner may prescribe showing the snuff on hand at 12:01 a.m. ~~o'clock~~ on July 1, ~~2006~~ 2014, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before August 25, ~~2006~~ 2014, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the ~~retailer~~ retail dealer may deduct from the tax due two percent of the tax. Any snuff with respect to which a floor stock tax has been imposed and paid under this section shall not again be subject to tax under section 7811 of this title.

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* * * Sales and Use Tax * * *

Sec. 28. 32 V.S.A. § 9773 is amended to read:

§ 9773. IMPOSITION OF COMPENSATING USE TAX

Unless property or telecommunications service has already been or will be subject to the sales tax under this chapter, there is imposed on every person a

use tax at the rate of six percent for the use within this State, except as otherwise exempted under this chapter:

(1) ~~Of~~ of any tangible personal property purchased at retail;

(2) ~~Of~~ of any tangible personal property manufactured, processed, or assembled by the user, if items of the same kind of tangible personal property are offered for sale by him or her in the regular course of business, but the mere storage, keeping, retention, or withdrawal from storage of tangible personal property or the use for demonstrational or instructional purposes of tangible personal property by the person who manufactured, processed or assembled such property shall not be deemed a taxable use by him or her; and for purposes of this section only, the sale of electrical power generated by the taxpayer shall not be considered a sale by him or her in the regular course of business if at least 60 percent of the electrical power generated annually by the taxpayer is used by the taxpayer in his or her trade or business;

(3) ~~Of~~ of any tangible personal property, however acquired, where not acquired for purposes of resale, upon which any taxable services described in subdivision 9771(3) of this title have been performed; ~~and~~

(4) ~~Specified~~ specified digital products transferred electronically to an end user; and

(5) telecommunications service except coin-operated telephone service, private telephone service, paging service, private communications service, or value-added non-voice data service.

* * * Propane Canisters * * *

Sec. 29. 33 V.S.A. § 2503 is amended to read:

§ 2503. FUEL GROSS RECEIPTS TAX

(a) There is imposed a gross receipts tax of 0.5 percent on the retail sale of the following types of fuel:

(1) heating oil, propane, kerosene, and other dyed diesel fuel delivered to a residence or business;

(2) ~~propane~~;

~~(3)~~ natural gas;

~~(4)~~~~(3)~~ electricity;

~~(5)~~~~(4)~~ coal.

* * *

Sec. 30. 32 V.S.A. § 9741(26) is amended to read:

(26) Sales of electricity, oil, gas, and other fuels used in a residence for all domestic use, including heating, but not including fuel sold at retail in free standing containers, or sold as part of a transaction where a free-standing container is exchanged without a separate charge. The Commissioner shall by

rule determine that portion of the sales attributable to domestic use where fuels are used for purposes in addition to domestic use.

* * * Dispatch Fees * * *

Sec. 31. UNIFORM DISPATCH FEES

The Commissioner of Public Safety shall propose specific dispatch services fee schedules for use under 20 V.S.A. § 1871(i) and, on or before January 15, 2015, report on the same to the House Committee on Ways and Means and the Senate Committee on Finance. Based on the Commissioner's report, uniform statewide fees for dispatch services provided by or under the direction of the Department of Public Safety shall be set by the General Assembly under the provisions of 32 V.S.A. § 603 on or before July 1, 2016. Fees collected by the Commissioner shall be reported in accordance with 32 V.S.A. § 605, and credited to a special fund established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5 or to another budgeted fund other than the General Fund, and shall be available to the Department to offset the costs of collecting the amount owed.

* * * Repeals * * *

Sec. 32. REPEALS

(a) 32 V.S.A. § 5930y (wood products manufacturers credit) is repealed on January 1, 2016, and the tax credit shall not be available for tax years beginning after that date.

(b) 2013 Acts and Resolves No. 72, Sec. 33 (uniform dispatch fees) is repealed.

* * * Effective Dates * * *

Sec. 33. EFFECTIVE DATES

This act shall take effect on passage except:

(1) Notwithstanding 1 V.S.A. § 214, Secs. 1 (1099K filing requirement), 2 (consolidated returns), and 3 (VEGI) shall take effect on January 1, 2014 and apply for tax year 2014 and after.

(2) Notwithstanding 1 V.S.A. § 214, Sec. 4 (annual income tax update) shall take effect retroactively January 1, 2014 and apply to taxable years beginning on and after January 1, 2013.

(3) Notwithstanding 1 V.S.A. § 214, Sec. 5 (annual estate tax update) shall take effect retroactively on January 1, 2014 and apply to decedents dying on or after January 1, 2013.

(4) Secs. 8 (corrected tax bills due to late filing of declaration), 9 (last date for filing declaration), and 10 (corrected tax bills due to late filing of property tax adjustment claim) shall take effect on July 1, 2014 and apply to property appearing on grand lists lodged in 2014 and after.

(5) Sec. 13 (shared equity housing) shall take effect on January 1, 2015 and apply to property appearing on grand lists lodged in 2015 and after.

(6) Secs. 14–18 (solar plant exemptions and valuation) shall take effect on January 1, 2015 and apply to property appearing on grand lists lodged in 2015 and after.

(7) Notwithstanding 1 V.S.A. § 214, Sec. 19 (wood products) of this act shall take effect retroactively on January 1, 2014.

(8) Sec. 21 (downtown credits) shall apply to fiscal year 2015 and after.

(9) Secs. 22 (repeal of sales tax exemption), 25 (e-cigarettes), 26 (snuff), 27 (floor tax), 28 (telecommunications use tax), 29 (fuel gross receipts tax), and 30 (propane canisters) shall take effect on July 1, 2014.

(10) Sec. 24 (research and development) shall take effect July 1, 2014, and shall apply to any application or claims for credits filed after that date, regardless the tax year for which the credit is sought.