

**MISCELLANEOUS TAX PROPOSALS**

**Draft 2.2**

**Ways and Means, March 20, 2014**

**Peter Griffin, Legislative Council**

Sec.	Summary	Notes
<b>TECHNICAL AND ADMINISTRATIVE CHANGES</b> <b>Personal and Corporate Income Taxes</b>		
<b>1</b>	<b>Form 1099 - credit card processors.</b> Requires credit card processors to file with the Tax Department within 30 days a copy of the 1099 they file with the IRS to account for payments the credit card processor makes to a merchant.	
<b>2</b>	<b>Consolidated returns.</b> Makes an election to file a consolidated return binding for a five-year period.	
<b>3</b>	<b>VEGI filing requirements.</b> Makes clear that the claim must be filed by the last day of April for the prior year's utilization period and, if the business fails to file a claim, authorization for the incentive may be revoked.	
<b>Property Taxes and Property Tax Adjustments</b>		
<b>4</b>	<b>Lister designations.</b> Strikes several specific lister designations that no longer exist and allows the Director more flexibility in designating levels of achievement.	
<b>5</b>	<b>Petitions to PVR for redetermination of equalization decisions.</b> Changes the notice date from the day a town receives the notice to the day PVR sends it. Extends filing period by five days.	
<b>6</b>	<b>Homestead declarations - time to pay.</b> Clarifies that the issuance of a corrected property tax bill due to a late filing or refiling of a homestead declaration does not excuse the taxpayer from paying the original liability. Any overpayment is to be reflected in the corrected bill. Companion to Sec. 8.	
<b>7</b>	<b>Homestead declaration - date for refiling.</b> Moves the date for refiling a homestead declaration to October 15 to be consistent with filing for property tax adjustment deadlines.	

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8	<b>Property tax adjustments - time to pay.</b> Companion provision to Sec. 6. Clarifies that the issuance of a corrected property tax bill due to a late filing or refiling of a homestead declaration does not excuse the taxpayer from paying the original liability. Any overpayment is to be reflected in the corrected bill.	
<b>Meals and Rooms Tax</b>		
9	<b>Technical change.</b> Updates the program name for subsidized food benefits.	
<b>Property Transfer Tax</b>		
10	<b>Filing requirements.</b> Removes the signature requirement for returns that accompany deeds for filing by a clerk. Conforms with the removal of signature requirement from underlying return passed in 2012.	
<b>POLICY AND REVENUE CHANGES Shared Equity Housing</b>		
11	<b>Valuation.</b> Requires owner-occupied housing subject to a housing subsidy covenant to be valued at 70 percent of fair market value.	
<b>Solar Capacity Tax</b>		
12	<b>Exemption.</b> Exempts from both the statewide education tax and municipal property taxes solar renewable energy plants with less than a 50 kW capacity that are either net metered or not connected to the power grid.	
13	<b>Municipal valuation.</b> Puts in place a statutory process for determining the fair market value of solar renewable energy plants.	
14	<b>Municipal exemptions.</b> Updates the language for municipally voted exemptions for renewable energy plants and makes several conforming changes.	

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15	<b>Capacity tax.</b> Increases the current exemption from the capacity tax from plants with 10kW capacity or greater to plants with less than 50kW capacity.	
16	<b>Repeal.</b> Repeals the prospective 2023 repeal of the exemption from the uniform capacity tax for smaller plants.	
<b>Wood Product Manufacturer's Credit</b>		
17	<b>Extension.</b> Reenacts and extends until January 1, 2016 the wood manufacturer's tax credit. Changes the percentage of employment required for the percentage from five percent to four percent.	
18	<b>Study.</b> Requires the Agency of Commerce and Community Development and Department of Taxes to study and recommend economic and tax incentives to ensure wood products manufacturers remain and thrive in Vermont.	
<b>Downtown and Village Center Tax Credits</b>		
19	<b>Limit.</b> Increases the total limit in tax credits available from \$1,700,000 to \$2,200,000.	
20	<b>Sales tax exemption.</b> Repeals exemption for purchases in excess of \$250,000 for downtown redevelopment projects.	
21	<b>Flood-related tax credits.</b> Authorizes a credit of \$88,000 to Latchis Arts for Irene-related damage under 32 V.S.A. § 5930bb.	
<b>Sales and Use Tax</b>		
22	<b>Telecommunications services.</b> Change would have the effect of imposing the use tax on telecommunications services.	
<b>Health Care Claims Tax</b>		
23	<b>Rate of tax.</b> Increases the current health care claims tax from a rate of 0.999 to 1.799.	

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24	<b>Conforming changes.</b> Makes changes to underlying law to keep rate increase in place after July 1, 2017.	
<b>Propane Canisters</b>		
25	<b>Canisters.</b> Clarifies that propane sold in free-standing canisters is not subject to the fuel gross receipts tax.	
26	<b>Sales tax.</b> Makes propane sold in free standing containers subject to the sales tax.	
<b>Repeals</b>		
27	<b>Repeals.</b>	
<b>Effective Dates</b>		
28	<b>Effective dates.</b>	