

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means 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 House propose to the Senate that the bill be amended by striking out all after
6 the enacting clause and inserting in lieu thereof the following:

7 * * * Income, Bank Franchise, Insurance Premium,
8 and Property Taxes * * *

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

10 § 2826. STATUTORY PURPOSES

11 (a) The statutory purpose of the exemption for interest income from
12 Vermont Student Assistance Corporation (VSAC) bonds in section 2825 of
13 this title is to lower the cost of borrowing in order to finance education loan
14 programs.

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

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

2 (c) The statutory purpose of the exemption for Vermont
3 Telecommunications Authority (VTA) bonds and notes in section 8074 of this
4 title is to lower the cost of borrowing in order to finance the expansion of
5 broadband access across the State.

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

7 § 5813. STATUTORY PURPOSES

8 (a) The statutory purpose of the exemption for Vermont municipal bond
9 income in subdivision 5811(21)(A)(i) of this title is to lower the cost of
10 borrowing in order to finance State and municipal projects.

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

17 (c) The statutory purpose of the Vermont credit for child and dependent
18 care in subsection 5822(d) of this title is to provide financial assistance to
19 employees who must incur dependent care expenses to stay in the workforce in
20 the absence of prekindergarten programming.

1 (d) The statutory purpose of the Vermont credit for persons who are elderly
2 or disabled in subsection 5822(d) of this title is to provide financial assistance
3 to seniors and persons who are disabled with little tax-exempt retirement or
4 disability income.

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

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

12 (g) The statutory purpose of the exemption for military pay in subdivisions
13 5823(a)(2) and (b)(3) of this title is to provide additional compensation for
14 military personnel in recognition of their service to Vermont and to the
15 country.

16 (h) The statutory purpose of the Vermont charitable housing credit in
17 section 5830c of this title is to enable lower capital cost to certain affordable
18 housing charities by restoring some of the forgone investment income through
19 a tax credit to the investor.

20 (i) The statutory purpose of the Vermont affordable housing credit in
21 section 5930u of this title is to increase the capital available to certain

1 affordable housing projects for construction or rehabilitation by attracting
2 up-front private investment.

3 (j) The statutory purpose of the Vermont qualified sale of a mobile home
4 park credit in section 5828 of this title is to encourage sales of mobile home
5 parks to a group composed of a majority of the mobile home park leaseholders,
6 or to a nonprofit organization that represents such a group, and, in doing so, to
7 provide stability to the inhabitants of such mobile home parks.

8 (k) The statutory purpose of the Vermont higher education investment
9 credit in section 5825a of this title is to encourage contributions to Vermont
10 529 plans that would not otherwise occur and to lower the cost of higher
11 education for Vermont students and the Vermont taxpayers who financially
12 support them.

13 (l) The statutory purpose of the Vermont entrepreneurs' seed capital fund
14 credit in section 5830b of this title is to provide incentives for investment in
15 the Seed Capital Fund, ensuring it has sufficient capital to make equity
16 investments in Vermont businesses.

17 (m) The statutory purpose of the Vermont historical rehabilitation tax credit
18 in subsection 5930cc(a) of this title is to provide incentives to improve and
19 rehabilitate historic properties in designated downtowns and village centers.

20 (n) The statutory purpose of the Vermont facade improvement tax credit in
21 subsection 5930cc(b) and sections 5930aa–5930ff of this title is to provide

1 incentives to improve facades and rehabilitate historic properties in designated
2 downtowns and village centers.

3 (o) The statutory purpose of the Vermont code improvement tax credit in
4 subsection 5930cc(c) and sections 5930aa–5930ff of this title is to provide
5 incentives to improve and rehabilitate historic properties in designated
6 downtowns and village centers.

7 (p) The statutory purpose of the Vermont research and development tax
8 credit in section 5930ii of this title is to encourage business investment in
9 research and development within Vermont and to attract and retain
10 intellectual-property-based companies.

11 (q) The statutory purpose of the Vermont downtown tax credits in sections
12 5930n–5930r of this title is to provide incentives to improve and rehabilitate
13 historic properties in designated downtowns and village centers.

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

18 (s) The statutory purpose of the Vermont earned income tax credit in
19 section 5828b of this title is to provide incentives for low-income working
20 families and individuals and to offset the effect on these Vermonters of
21 conventionally regressive taxes.

1 (t) 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 (u) The statutory purpose of the Vermont employment growth incentive in
6 section 5930b of this title is to provide a cash incentive to encourage quality
7 job growth in Vermont.

8 (v) 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.

12 * * * Meals and Rooms Taxes and Insurance

13 Premium Taxes * * *

14 Sec. 4. 32 V.S.A. § 9247 is added to read:

15 § 9247. HOSPITAL AND MEDICAL SERVICE CORPORATIONS AND

16 CREDIT UNIONS

17 Notwithstanding 8 V.S.A. §§ 4518, 4590, and 30901, hospital service
18 corporations, medical service corporations, and credit unions shall be subject
19 to the meals and rooms tax. The statutory purpose of the remaining
20 exemptions in 8 V.S.A. § 4518 is to lower the cost of health services to
21 Vermonters. The statutory purpose of the remaining exemptions in 8 V.S.A.

1 § 4590 is to lower the cost of health services to Vermonters. The statutory
2 purpose of the remaining exemptions in 8 V.S.A. § 30901 is to affirm the
3 nonprofit, cooperative structure of credit unions.

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

5 § 9201. STATUTORY PURPOSES

6 (a) The statutory purpose of the exemption for grocery-type items furnished
7 for take-out in subdivision 9202(10)(D)(i) of this title is to limit the cost of
8 goods that are necessary for the health and welfare of all people in Vermont.

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

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

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

19 (e) The statutory purpose of the exemption for summer camps for children
20 in subdivision 9202(10)(D)(ii)(VI) of this title is to reduce the cost of summer
21 education and outdoor activities for youth.

1 (f) The statutory purpose of the exemption for nonprofits at fairs, bazaars,
2 picnics, and similar events in subdivision 9202(10)(D)(ii)(VII) of this title is to
3 allow more of the revenues generated by certain activities to be dedicated to
4 furthering the public-service missions of the organizations.

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

9 (h) The statutory purpose of the exemption for meals served on the
10 premises of a continuing care retirement community in subdivision
11 9202(10)(D)(ii)(XI) is to exclude meals prepared in a person's home from
12 taxation.

13 (i) The statutory purpose of the exemption for student housing in
14 subdivision 9202(8) of this title is to reduce the overall costs of education in
15 Vermont.

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

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

4 (e) The statutory purpose of the exemption for sales of food in subdivision
5 9741(13) of this title is to limit the cost of goods that are necessary for the
6 health and welfare of all people in Vermont.

7 (f) The statutory purpose of the exemption for newspapers in subdivision
8 9741(15) of this title is to reduce the cost of access to news and community
9 information for people in Vermont.

10 (g) The statutory purpose of the exemption for rentals of coin-operated
11 washing facilities in subdivision 9741(19) of this title is to exclude from
12 taxation facilities that are still operated with coins.

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

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

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

1 (k) The statutory purpose of the exemption for commercial, industrial, or
2 agricultural research tangible personal property use in subdivision 9741(24) of
3 this title is to reduce financial barriers to research and innovation in the
4 commercial, industrial, and agricultural industries.

5 (l) The statutory purpose of the exemption for agricultural machinery and
6 equipment in subdivision 9741(25) of this title is to promote Vermont's
7 agricultural economy.

8 (m) The statutory purpose of the exemption for energy purchases for a
9 residence in subdivision 9741(26) of this title is to limit the cost of goods that
10 are necessary for the health and welfare of Vermonters.

11 (n) The statutory purpose of the exemption for energy purchases for
12 farming in subdivision 9741(27) of this title is to promote Vermont's
13 agricultural economy.

14 (o) The statutory purpose of the exemption for sales of films to movie
15 theaters in subdivision 9741(28) of this title is to avoid double taxation.

16 (p) The statutory purpose of the exemption for aircraft and depreciable
17 parts for commercial and private use in subdivision 9741(29) of this title is to
18 promote the growth of the aircraft maintenance industry in Vermont.

19 (q) The statutory purpose of the exemption for railroad rolling stock and
20 depreciable parts in subdivision 9741(30) of this title is to increase the use of
21 rail for transport.

1 (r) The statutory purpose of the exemption for ferryboats and depreciable
2 parts in subdivision 9741(31) of this title is to increase the use of ferries for
3 transport.

4 (s) The statutory purpose of the exemption for sales of mobile homes and
5 modular housing in subdivision 9741(32) of this title is to create equity
6 between mobile and modular housing and traditional residential construction
7 by providing an exemption for the estimated portion of the cost attributable to
8 labor (versus materials).

9 (t) The statutory purpose of the exemption for the United States flag sold to
10 or by exempt veterans' organizations in subdivision 9741(33) of this title is to
11 support veterans' organizations in performing their traditional functions.

12 (u) The statutory purpose of the exemption for property transferred as an
13 incidental part of a personal service transaction or transfer of intangible
14 property rights in subdivision 9741(35) of this title is to forgo taxation when
15 the cost of compliance exceeds the revenues.

16 (v) The statutory purpose of the exemption for advertising materials in
17 subdivision 9741(36) of this title is to exclude tangible personal property from
18 taxation if it is incidental to a larger service.

19 (w) The statutory purpose of the exemption for documents that record a
20 professional service in subdivision 9741(37) of this title is to exclude tangible
21 personal property from taxation if it is incidental to a service package.

1 (x) The statutory purpose of the tracked vehicles cap in subdivision
2 9741(38) of this title is to lessen the cost of capital investments.

3 (y) The statutory purpose of the exemption for sales of building materials
4 in subdivisions 9741(39) of this title is to provide incentives to restore and
5 revitalize downtown districts.

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

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

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

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

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

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

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

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

1 organizations to dedicate more financial resources to their public-service
2 missions.

3 (hh) The statutory purpose of the reallocation of receipts from tax imposed
4 on sales of construction materials in section 9819 of this title is to provide
5 incentives to restore and revitalize certain properties in designated downtown
6 districts.

7 (ii) The statutory purpose of the exemption for sales by licensed
8 auctioneers in subdivision 9741(48) of this title is to extend the “casual sale”
9 exemption to sales involving an auctioneer selling on behalf of a third party.

10 * * * Property Taxes * * *

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

12 § 210. STATUTORY PURPOSES

13 The statutory purpose of the exemption for local development corporations
14 in section 236 of this title is to promote economic development.

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

16 § 602. STATUTORY PURPOSES

17 The statutory purpose of the exemption for the Vermont Housing Finance
18 Agency in subsection 641(a) of this title is to provide and promote affordable
19 housing.

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

2 § 2170. STATUTORY PURPOSES

3 The statutory purpose of the exemption for the Vermont State Colleges in
4 section 2178 of this title is to allow institutions providing higher education to
5 deploy more of their financial resources to their educational missions.

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

7 § 1-15a. STATUTORY PURPOSES

8 The statutory purpose of the exemption for the University of Vermont in
9 section 1-15 of this chapter is to allow institutions providing higher education
10 to deploy more of their financial resources to their educational missions.

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

12 § 5300. STATUTORY PURPOSES

13 The statutory purpose of the exemption for cemeteries in sections 5317 and
14 5376 of this title is to lower the cost of establishing and maintaining
15 cemeteries.

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

17 § 68. STATUTORY PURPOSES

18 The statutory purpose of the exemption for libraries in section 109 of this
19 title is to aid libraries in offering free and public access to information and
20 research resources.

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

2 § 4000. STATUTORY PURPOSES

3 The statutory purpose of the exemption for housing authorities in section
4 4020 of this title is to promote, provide, and preserve affordable housing.

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

6 § 3750. STATUTORY PURPOSES

7 The statutory purpose of the Vermont Use Value Appraisal Program in
8 chapter 124 of this title is to preserve the working landscape and the rural
9 character of Vermont.

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

11 § 3800. STATUTORY PURPOSES

12 (a) The statutory purpose of the exemption for congressionally chartered
13 organizations in subdivision 3802(2) of this title is to support certain
14 organizations with a patriotic, charitable, historical, or educational purpose.

15 (b) The statutory purpose of the exemption for public, pious, and charitable
16 property in sections 3832 and 3840 and subdivision 3802(4) of this title is to
17 allow these organizations to dedicate more of their financial resources to
18 furthering their public-service missions.

19 (c) The statutory purpose of the exemption for college fraternities and
20 societies in subdivision 3802(5) of this title is to promote civic services.

1 (d) The statutory purpose of the exemption for Young Men’s and Women’s
2 Christian Associations in subdivision 3802(6) of this title is to allow these
3 organizations to dedicate more of their financial resources to furthering their
4 public-service missions.

5 (e) The statutory purpose of the exemption for cemeteries in subdivision
6 3802(7) of this title is to lower the cost of establishing and maintaining
7 cemeteries.

8 (f) The statutory purpose of the exemption for property owned by
9 agricultural societies in subdivision 3802(9) of this title is to lower the cost of
10 public access to agricultural events.

11 (g) The statutory purpose of the exemption for \$10,000.00 of appraised
12 value of a residence for a veteran in subdivision 3802(11) of this title is to
13 recognize disabled veterans’ service to Vermont and to the country.

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

19 (i) The statutory purpose of the exemption for humane societies in
20 subdivision 3802(15) of this title is to lower operating costs for organizations

1 that protect animals to allow them to dedicate more of their financial resources
2 to furthering their public-service missions.

3 (j) The statutory purpose of the exemption for federally qualified health
4 centers or rural health clinics in subdivision 3802(16) of this title is to support
5 health centers that serve an underserved area or population, offer a sliding fee
6 scale, provide comprehensive services, and have an ongoing quality assurance
7 program.

8 (k) The statutory purpose of the railroad property alternative tax method in
9 subdivision 3803(1) of this title is to provide an alternative to the traditional
10 valuation method in order to achieve consistency across municipalities.

11 (l) The statutory purpose of the telephone property alternative tax method
12 referenced in subdivision 3803(2) of this title is to provide an alternative to the
13 traditional valuation method in order to achieve consistency across
14 municipalities.

15 (m) The statutory purpose of the exemptions in Vermont permanent session
16 law in 2008 Acts and Resolves No. 190, 1892 Acts and Resolves No. 213,
17 1945 Acts and Resolves No. 204, 1939 Acts and Resolves No. 250, 1921 Acts
18 and Resolves No. 31, 1921 Acts and Resolves No. 262, 1910 Acts and
19 Resolves No. 370, and 1900 Acts and Resolves No. 244 is to provide relief to
20 specific properties that have demonstrated an individual purpose to the General
21 Assembly.

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

2 § 5400. STATUTORY PURPOSES

3 (a) The statutory purpose of the exemption for whey processing fixtures in
4 subdivision 5401(10)(G) of this title is to support industries using whey
5 processing facilities to convert waste into value-added products.

6 (b) The statutory purpose of the exemption for municipalities hosting large
7 power plants in subsection 5402(d) of this title is to compensate businesses and
8 residents of the community hosting a nuclear power facility.

9 (c) The statutory purpose of the exemption for qualified housing in
10 subdivision 5404a(a)(6) of this title is to ensure that taxes on this rent restricted
11 housing provided to low- and moderate-income Vermonters are more
12 equivalent to property taxed using the State homestead rate and to adjust the
13 costs of investment in rent restricted housing to reflect more accurately the
14 revenue potential of such property.

15 (d) The statutory purpose of the tax increment financing districts in
16 subsection 5404a(f) of this title is to allow communities to encourage
17 investment and improvements that would not otherwise occur and to use
18 locally the additional property tax revenue attributable to those investments to
19 pay off the debt incurred to construct the improvements.

20 (e) The statutory purpose of the Vermont Economic Progress Council
21 approved stabilization agreements in section 5404a of this title is to provide

1 exemptions on a case-by-case basis in conjunction with other economic
2 development efforts in order to facilitate economic development that would not
3 otherwise occur.

4 (f) The statutory purpose of the large power plants alternative tax method
5 in subdivision 5401(10)(B) of this title is to provide an alternative to the
6 traditional valuation method for a unique property.

7 (g) The statutory purpose of the wind-powered electric generating facilities
8 alternative tax scheme in subdivision 5401(10)(J)(i) of this title is to provide an
9 alternative to the traditional valuation method in order to achieve consistent
10 valuation across municipalities.

11 (h) The statutory purpose of the renewable energy plant generating
12 electricity from solar power alternative tax structure in subdivision
13 5401(10)(J)(ii) is to provide an alternative to the traditional valuation method
14 in order to achieve consistent valuation across municipalities.

15 * * * Insurance Premium Taxes * * *

16 Sec. 17. 8 V.S.A. § 3700 is added to read:

17 § 3700. STATUTORY PURPOSES

18 The statutory purpose of the exemption for annuity considerations in section
19 3718 of this title is to avoid reciprocity from other states.

1 Sec. 18. 8 V.S.A. § 4460 is added to read:

2 § 4460. STATUTORY PURPOSES

3 The statutory purpose of the exemption for fraternal societies in section
4 4500 of this title is to support benevolent societies that provide benefits to
5 members and to the community.

6 * * * Transportation Taxes * * *

7 Sec. 19. 23 V.S.A. § 3000 is added to read:

8 § 3000. STATUTORY PURPOSES

9 The statutory purpose of the exemption for diesel tax in section 3003 of this
10 title is to relieve off-road uses and farm truck uses from the user fee for the
11 State highway system.

12 Sec. 20. 32 V.S.A. § 8900 is added to read:

13 § 8900. STATUTORY PURPOSES

14 (a) The statutory purpose of the exemption for pious or charitable
15 institutions or volunteer fire companies in subdivision 8911(3) of this title is to
16 lower the operating costs of pious and charitable organizations considered
17 exempt under subdivision 3802(4) of this title to allow them to dedicate more
18 of their financial resources to furthering their public-service missions.

19 (b) The statutory purpose of the exemption for nonregistered vehicles in
20 subdivision 8911(5) of this title is to exclude from the tax vehicles that are not
21 entitled to use the State highway system.

1 (2) provisions outside the normal structure of a particular tax, or taxed
2 under an alternative tax structure;

3 (3) revenue forgone as unduly burdensome to administer; and

4 (4) for the purpose of avoiding government taxing itself.

5 (b) Tax expenditure reports. Biennially, as part of the budget process,
6 beginning January 15, 2009, the Department of Taxes and the Joint Fiscal
7 Office shall file with the House Committees on Ways and Means and on
8 Appropriations and the Senate Committees on Finance and on Appropriations
9 a report on tax expenditures in the personal and corporate income taxes, sales
10 and use tax, and meals and rooms tax, insurance premium tax, bank franchise
11 tax, education property tax, diesel fuel tax, gasoline tax, motor vehicle
12 purchase and use tax, ~~and such other tax expenditures for which the Joint~~
13 ~~Fiscal Office and the Department of Taxes jointly have produced revenue~~
14 ~~estimates.~~ The Office of Legislative Council shall also be available to assist
15 with this tax expenditure report. The report shall include, for each tax
16 expenditure, the following information:

17 (1) ~~A~~ a description of the tax expenditure;:

18 (2) ~~The~~ the most recent fiscal information available on the direct cost of
19 the tax expenditure in the past two years;:

20 (3) ~~The~~ the date of enactment of the expenditure;:

1 (4) ~~A~~ a description of and estimate of the number of taxpayers directly
2 benefiting from the expenditure provision;

3 (5) a description of the statutory purpose explaining the policy goal
4 behind the expenditure as required by subsection (d) of this section and 2013
5 Acts and Resolves No.73, Sec. 5; and

6 (6) a compilation of the items excluded under subsection (a) of this
7 section.

8 (c) [Deleted.]

9 (d) Every tax expenditure, as defined in subsection (a) of this section, in the
10 tax expenditure report required by this section shall be accompanied in statute
11 by a statutory purpose explaining the policy goal behind the exemption,
12 exclusion, deduction, or credit applicable to the tax. The statutory purpose
13 shall appear as a separate subsection or subdivision in statute and shall bear the
14 title “Statutory Purpose.” Notwithstanding any other provision of law, a tax
15 expenditure listed in the tax expenditure report that lacks a statutory purpose in
16 statute shall not be implemented or enforced until a statutory purpose is
17 provided.

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* * * Repeals * * *

Sec. 22. REPEALS

The following are repealed:

(1) 32 V.S.A. § 9741(39)(ii) (tax exemption on sales of building materials in excess of \$250,000.00).

(2) 32 V.S.A. § 9771a (limitation of tax on telecommunications services).

(3) 2010 Acts and Resolves No. 160, Sec. 2(d) (requiring January 15, 2015 tax expenditure report to include list of federal tax expenditures).

* * * Effective Date * * *

Sec. 23. EFFECTIVE DATE

This act shall take effect on July 1, 2014, except for Sec. 22(2) (Repeals; limitation of tax on telecommunications), which is repealed on January 1, 2015.

(Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE