

Statutory Purposes
Table of Differences between JFO Memo and LC Draft Bill

Sections	MEMO	BILL
1.102: Credit for elderly/disabled	To provide tax relief for seniors and disabled persons with little tax exempt retirement of disability income.	<u>...to provide tax relief for seniors and persons who are disabled with little tax-exempt retirement or disability income.</u>
Income, Bank Franchise, and Insurance Premium Taxes § 5813(d)		
N/A	Not in memo	<u>The statutory purpose of allowing federal itemized deductions and other federal expenditures between federal adjusted gross income and federal taxable income, as listed in the report required by 32 V.S.A. § 312, is to reflect Vermont's choice to use federal taxable income as a base for Vermont's state income tax.</u>
Income, Bank Franchise, and Insurance Premium Taxes § 5813(aa)		
1.203 Americans with Disabilities Credit	To provide tax relief for small businesses making ADA improvements required by federal law	<u>Removed – 5823(a)(5) repealed</u>
3.001: Sales tax of medical products	To allow for those in need of medical products and support the health and welfare of Vermont residents	<u>...limit the tax burden on the purchase of goods that are necessary for the health and welfare of all people in Vermont.</u>
Sales Tax § 9706(a)		
3.004: Sales tax	This exemption has been in law since the inception of the tax to prevent the occasional sale of personal property by individuals not engaged as merchants from being subjected to the tax.	<u>... prevent the occasional sale of personal property by individuals not engaged as merchants from being subjected to the tax.</u>
Sales Tax § 9706(ii)		
3.005: Fuels for rr and boats	The use of railroads and boats typically do not necessitate the need for public expenditures on transportation infrastructure and, therefore, are exempt from a sales tax burden on fuels. Although the sales tax is applied to jet fuel.	<u>...avoid the taxation of fuels for the types of transportation for which public expenditure on infrastructure is unnecessary.</u>
Sales tax § 9706		

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3.006: Sales of food	Limit the tax burden on purchase of goods that are necessary for the health and welfare of Vermont residents	<u>...limit the tax burden on the purchase of goods that are necessary for the health and welfare of all people in Vermont.</u>
Sales Tax § 9706(f)		
3.013: Admission fees to nonprofit museums	Support missions of nonprofit facilities and encourage higher visitation.	<u>... support the missions of certain nonprofit facilities and encourage higher visitation.</u>
Sales Tax § 9706(m)		
3.015: Funeral charges	To not burden the bereaved with taxation.	<u>...to prevent burdening the bereaved with taxation.</u>
Sales Taxes § 9706(o)		
3.018: Energy purchases for a residence	To limit the tax burden on the purchase of goods that are necessary for the health and welfare of all Vermont residents	<u>...limit the tax burden on the purchase of goods that are necessary for the health and welfare of all people in Vermont.</u>
Sales Tax § 9706(r)		
3.035: Clothing and footwear	To limit the tax burden on the purchase of goods that are necessary for the health and welfare of all Vermont residents.	<u>...limit the tax burden on the purchase of goods that are necessary for the health and welfare of all people in Vermont.</u>
Sales Tax § 9706(ii)		
3.036: Property incorporated into a net metering system, an on-premise energy system not connected to the electric distribution system, or a solar hot water heating system	Encourage the promulgation of efficient technologies for generating and distributing renewable energy resources.	<u>...encourage the adoption of efficient technologies for generating and distributing renewable energy resources.</u>
Sales Tax § 9706(jj)		
3.037: Purchases by and limited purchases from 501(c)(3) organizations	To reduce costs for nonprofit organizations.	<u>...to reduce costs for certain nonprofit organizations.</u>
Sales Tax § 9706(kk)		

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3.038: Building materials and supplies used in construction or, repair of buildings by governmental bodies or 501(c)(3) organizations or development corporations	To reduce costs for nonprofit organizations.	...to reduce costs for <u>certain nonprofit organizations.</u>
Sales Tax § 9706(ll)		
3.039: Amusement charges for 4 events a year for 501(c)(4)-(13) and (19) organizations and political organizations	To reduce costs for nonprofit organizations	...to reduce costs for <u>certain nonprofit organizations.</u>
Sales Tax § 9706(mm)		
3.040: Amusement charges for events presented by 501(c)(3) organizations	To reduce costs for nonprofit organizations	...to reduce costs for <u>certain nonprofit organizations.</u>
Sales Tax § 9706(nn)		
3.043, 3.044: Sales to non profit medical service corporations, hospital corporations	To exempt from tax a government-sponsored/ quasi-government / government created?? entity.	... to exempt from tax a <u>government-sponsored entity.</u>
Meals and Rooms Taxes and Insurance Premium Taxes § 4510(c)		

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4.001: Grocery-type items furnished for take-out (meals tax only)	To limit the tax burden on the purchase of goods that are necessary for the health and welfare of all Vermont residents.	<u>...limit the tax burden on the purchase of goods that are necessary for the health and welfare of all people in Vermont.</u>
Meals and Rooms Taxes and Insurance Premium Taxes § 9201(a)		
4.008: Nonprofits at fairs, bazaars, picnics, and similar events, but limited to 4 days	To reduce costs for nonprofit organizations.	<u>...to reduce costs for certain nonprofit organizations.</u>
Meals and Rooms Taxes and Insurance Premium Taxes § 9201(h)		
4.013: Meals provided for nonprofit hospital service corporations	To reduce costs for nonprofit organizations.	<u>...to reduce costs for certain nonprofit organizations.</u>
Meals and Rooms Taxes and Insurance Premium Taxes § 4510(a)		
4.110: Rooms provided to nonprofit hospital service corporations	To reduce costs for nonprofit organizations.	<u>...to reduce costs for certain nonprofit organizations.</u>
Meals and Rooms Taxes and Insurance Premium Taxes § 4510(b)		
4.111: Room provided to nonprofit medical service corporations	To reduce costs for nonprofit organizations.	<u>...to reduce costs for certain nonprofit organizations.</u>
Meals and Rooms Taxes and Insurance Premium Taxes § 4580(b)		

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5.101: Use value appraisal program	To have the value of the land used for agriculture and forestry reflect how it is used rather than the “highest and best” use which is fair market value. This lowers the property level for these land-intensive industries.	<u>...to lower the property tax level for land used for agriculture and forestry by valuing it based on how it is used rather than the “highest and best” use which is fair market value.</u>
Property Taxes § 3750		
8.002: Diesel tax	The exemption for off road uses and farm trucks is based on the idea that the diesel tax is a user fee imposed on and limited to users of the state highway system. The exemption for municipal entities and public transit agencies is based on administrative convenience.	<u>... to exempt off-road uses and farm trucks from the user fee for the State highway system. The exemption for municipal entities and public transit agencies is based on administrative convenience.</u>
Transportation Taxes § 3000		
9.002: Non-registered vehicles	From a user fee perspective, since only registered vehicles are entitled to use the state highway system, non-registered vehicles impose no costs on the system.	<u>... to exempt vehicles that are not entitled to use the State highway system from the tax.</u>
Transportation Taxes § 8900(b)		
General exemption of trade-in value	The standard rationale for the trade-in allowance is that it is necessary to avoid “double-taxation” – but absent the exemption a person buying one vehicle and trading in another would not be taxed twice for their purchase or use of the same vehicle. More precisely, the exemption reflects the view that when you pay a tax on the use value of a vehicle, that tax payment is like a credit that you should be able to draw down against your use of that vehicle and if you sell it when it has a residual value, to transfer the credit to a new vehicle.	<u>... to ensure the use value of a vehicle is taxed only once.</u>
Transportation Taxes § 8900(g)		

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6.000: Exemptions from Tax on Deposits 6.001 Credit Unions	8 V.S.A. § 2085	8 V.S.A. § 30901
Income, Bank Franchise, and Insurance Premium Taxes § 30102(d)		
6.100: Bank franchise tax credits and 7.000 insurance premium tax credit	2 identical statutory purposes for Affordable Housing Credit	Removed one so there's just one statutory purpose falling under "Income, Bank Franchise, and Insurance Premium Taxes" section
Income, Bank Franchise, and Insurance Premium Taxes		