

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Agriculture and Forest Products to which was referred
3 House Bill No. 542 entitled “An act relating to the taxation of soil
4 amendments” respectfully reports that it has considered the same and
5 recommends that the bill be amended by striking all after the enacting clause
6 and inserting in lieu thereof the following:

7 Sec. 1. 32 V.S.A. § 9701(48)–(50) are added to read:

8 (48) Compost: means a stable humus-like material produced by the
9 controlled biological decomposition of organic matter through active
10 management, but does not mean sewage, septage, or materials derived from
11 sewage or septage.

12 (49) Manipulated animal manure: means manure that is ground,
13 pelletized, mechanically dried, or consists of separated solids.

14 (50) Perlite: means a lightweight granular material made of volcanic
15 material expanded by heat treatment for use in growing media.

16 (51) Planting mix: means material that is:

17 (A) used in the production of plants; and

18 (B) made substantially from compost, peat moss, or coir and other
19 ingredients that contribute to fertility and porosity, including perlite,
20 vermiculite, and other similar materials.

1 (52) Vermiculite: means a lightweight mica product expanded by heat
2 treatment for use in growing media.

3 Sec. 2. 32 V.S.A. § 9741 is amended to read:

4 § 9741. SALES NOT COVERED

5 Retail sales and use of the following shall be exempt from the tax on retail
6 sales imposed under section 9771 of this title and the use tax imposed under
7 section 9773 of this title.

8 * * *

9 (3) Agriculture feeds; seed; plants; baler twine; silage bags;
10 agricultural wrap; sheets of plastic for bunker covers; liming materials;
11 breeding and other livestock; semen breeding fees; baby chicks; turkey
12 poults; agriculture chemicals other than pesticides; veterinary supplies; ~~and~~
13 bedding; clean high carbon bulking agents, as that term is used in the Agency
14 of Natural Resources Solid Waste Management Rules, used for composting;
15 food residuals used for composting or on-farm energy production; and
16 fertilizers and pesticides for use and consumption directly in the production for
17 sale of tangible personal property on farms, including stock, dairy, poultry,
18 fruit and truck farms, orchards, nurseries, or in greenhouses or other similar
19 structures used primarily for the raising of agricultural or horticultural
20 commodities for sale.

21 * * *

1 (49) Sales of compost, animal manure, manipulated animal manure, and
2 potting soil.

3 Sec. 3. APPLICATION OF SALES TAX; COMPOST

4 Notwithstanding the imposition under 32 V.S.A. § 9771 of the sales and use
5 tax on the sale of composting for farming, the Department of Taxes shall not
6 impose or collect the sales and use tax on the sale of compost for farming that
7 occurred between January 1, 2012 and July 1, 2014, and taxes paid on such
8 charges shall be refunded upon request if made within the statute of limitations
9 and documented to the satisfaction of the Commissioner of Taxes. As used in
10 this section, “compost” shall have the same meaning as defined in 10 V.S.A.
11 § 1266b(1) and “farming” shall have the same meaning as defined in 10 V.S.A.
12 § 6001(22).

13 Sec. 4. EFFECTIVE DATE

14 This act shall take effect on July 1, 2014.

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17 (Committee vote: _____)

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Representative [surname]

FOR THE COMMITTEE