

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 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, and Property Taxes * * *

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

9 § 2826. STATUTORY PURPOSES

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

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

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

19 (a) The statutory purpose of the Vermont Telecommunications Authority
20 (VTA) bonds and notes exemption in section 8074 of this title is to lower the

1 cost of borrowing in order to finance the expansion of broadband access across
2 the State.

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

4 § 5813. STATUTORY PURPOSES

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

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

14 (c) The statutory purpose of the Vermont credit for child and dependent
15 care in subsection 5822(d) of this title is to provide tax relief to working
16 taxpayers financial assistance to employees who must incur dependent care
17 expenses to stay in the workforce in the absence of pre-kindergarten
18 programming.

19 (d) The statutory purpose of the Vermont credit for persons who are elderly
20 or disabled in subsection 5822(d) of this title is to provide tax relief for

1 financial assistance to seniors and persons who are disabled with little tax-
2 exempt retirement or disability income.

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

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

10 (g) The statutory purpose of the Vermont business solar energy credit in
11 subsection 5822(d) and section 5930z of this title is to provide a temporary,
12 enhanced incentive for business solar investments located in Vermont to
13 increase the deployment of solar electric generating facilities until the price of
14 solar materials and installation decreases to the point it does not need State
15 subsidization.

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

20 (h) The statutory purpose of the Vermont charitable housing credit in
21 section 5830c of this title is to assist enable lower cost capital to certain

1 affordable housing charities ~~in attracting private investment at below market~~
2 ~~rates~~ by restoring some of the ~~investment~~ income forgone through a tax credit
3 to the investor.

4 (i) The statutory purpose of the Vermont affordable housing credit in
5 section 5930u of this title is to increase the capital available to certain
6 affordable housing projects for construction or rehabilitation by attracting up
7 front private investment.

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

13 (k) The statutory purpose of the Vermont higher education investment
14 credit in section 5825a of this title is to encourage contributions to Vermont
15 529 plans that would not otherwise occur and to lower the cost of higher
16 education for Vermont students and the Vermont taxpayers who financially
17 support them.

18 (l) The statutory purpose of the Vermont entrepreneurs' seed capital fund
19 credit in section 5830b of this title is to ~~provide capital to~~ ~~incent investment in~~
20 the Seed Capital Fund, ensuring it has sufficient capital to make equity
21 investments in Vermont businesses.

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

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

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

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

16 (r) The statutory purpose of the Vermont economic advancement tax
17 incentive credits in sections 5930a–5930k of this title is to allow Vermont to
18 compete with other states that have offered tax savings and cash benefits as a
19 tool to recruit and retain businesses.

1 (q) The statutory purpose of the Vermont downtown tax credits in sections
2 5930n–5930r of this title is to provide incentives to improve and rehabilitate
3 historic properties in designated downtowns and village centers.

4 (r) The statutory purpose of the Vermont low-income child and dependent
5 care credit in section 5828c of this title is to provide cash relief to
6 lower-income ~~working taxpayers~~ ~~employees~~ who incur dependent care
7 expenses in certified centers to enable them to remain in the workforce.

8 (s) The statutory purpose of the Vermont earned income tax credit in
9 section 5828b of this title is to ~~increase the after-tax income of~~ ~~provide~~
10 ~~incentives for~~ low-income working families and individuals ~~and to provide an~~
11 ~~incentive to work for those with little earned income~~ and to offset the effect on
12 these Vermonters of conventionally regressive taxes.

13 (t) The statutory purpose of the Vermont machinery and equipment tax
14 credit in section 5930ll of this title is to provide an incentive to make a major,
15 long-term capital investment in Vermont-based plant and property to ensure
16 the continuation of in-state employment

17 (u) The statutory purpose of the Vermont employment growth incentive in
18 section 5930b of this title is to provide a cash incentive to encourage quality
19 job growth in Vermont.

20 (v) The statutory purpose of the Vermont Downtown and Village Center
21 Program tax credits in section 5930cc of this title is to provide incentives to

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

3 ~~(y) The statutory purpose of allowing federal itemized deductions and other~~
4 ~~federal expenditures between federal adjusted gross income and federal taxable~~
5 ~~income, as listed in the report required by section 312 of this title, is to reflect~~
6 ~~Vermont's choice to use federal taxable income as a base for Vermont's State~~
7 ~~income tax.~~

8 * * * Meals and Rooms Taxes and Insurance

9 Premium Taxes * * *

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

11 § 9247. HOSPITAL AND MEDICAL SERVICE CORPORATIONS AND
12 CREDIT UNIONS

13 Notwithstanding 8 V.S.A. §§ 4518, 4590, and 30901, hospital service
14 corporations, medical service corporations, and credit unions shall be subject
15 to the meals and rooms tax. The statutory purpose of the remaining
16 exemptions from 8 V.S.A. § 4518 is to exempt nonprofit hospital service
17 corporations providing health care service plans in order to lower the cost of
18 health services to Vermonters. The statutory purpose of the remaining
19 exemptions from 8 V.S.A. § 4590 is to exempt nonprofit medical service
20 corporations that provide health care service plans in order to lower the cost of
21 health services to Vermonters. The statutory purpose of the remaining

1 exemptions from 8 V.S.A. § 30901 is to affirm the nonprofit, cooperative
2 structure of credit unions.

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

4 § 9201. STATUTORY PURPOSES

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

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

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

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

1 (e) The statutory purpose of the Vermont summer camp for children
2 exemption in subdivision 9202(10)(D)(ii)(VI) of this title is to reduce costs for
3 the cost of summer education and outdoor activities for youth.

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

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

12 (h) The statutory purpose of the Vermont meals served on the premises of a
13 continuing care retirement community exemption in subdivision
14 9202(10)(D)(ii)(XI) is to exempt from tax exclude meals prepared in a
15 person's home from taxation.

16 (i) The statutory purpose of the Vermont student housing exemption in
17 subdivision 9202(8) of this title is to reduce the overall costs of education in
18 Vermont.

19 (j) The statutory purpose of the Vermont rooms furnished to an employee
20 of a hotel or restaurant operator as remuneration for his or her employment

1 exemption in subdivision 9202(6) of this title is to exclude the taxation of
2 in-kind benefits.

3 (k) The statutory purpose of the summer camp for children exemption in
4 subdivision 9202(6) of this title is to reduce costs for the cost of summer
5 education and outdoor activities for youth.

6 (l) The statutory purpose of the Vermont rooms on the premises of a
7 nonprofit exemption in subdivision 9202(3)(C) of this title is to allow more of
8 the revenues generated by certain activities to be dedicated to furthering the
9 public-service missions of the organizations.

10 (m) The statutory purpose of the Vermont rooms on the premises of a
11 continuing care retirement community exemption in subdivision 9202(3)(D) of
12 this title is to exclude from taxation rooms that are a person's residence.

13 * * * Sales Taxes * * *

14 Sec. 6. 32 V.S.A. § 9706 is added to read:

15 § 9706. STATUTORY PURPOSES

16 (a) The statutory purpose of the Vermont medical products exemption in
17 subdivision 9741(2) of this title is to lower the cost of medical products in
18 order to support the health and welfare of Vermont residents.

19 (b) The statutory purpose of the Vermont agricultural inputs exemption in
20 subdivision 9741(3) of this title is to promote Vermont's agricultural economy.

1 (c) The statutory purpose of the Vermont veterinary supplies exemption in
2 subdivision 9741(3) of this title is to lessen the cost of veterinary services in
3 order to support the health and welfare of Vermont animals.

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

8 (e) The statutory purpose of the Vermont sales of food exemption in
9 subdivision 9741(13) of this title is to limit the ~~taxes on the purchase~~ ~~cost~~ of
10 goods that are necessary for the health and welfare of all people in Vermont.

11 (f) The statutory purpose of the Vermont newspapers exemption in
12 subdivision 9741(15) of this title is to reduce the ~~financial~~ cost of access to
13 news and community information for people in Vermont.

14 (g) The statutory purpose of the Vermont rentals of coin-operated washing
15 facilities exemption in subdivision 9741(19) of this title is to ~~exempt~~ ~~exclude~~
16 ~~from taxation~~ ~~coin-operated washing facilities on the basis that most of these~~
17 ~~facilities that are still operated with coins.~~

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

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

4 (j) The statutory purpose of the Vermont funeral charges exemption in
5 subdivision 9741(22) of this title is to lessen the costs accumulated by the
6 bereaved.

7 (k) The statutory purpose of the Vermont commercial, industrial, or
8 agricultural research property use exemption in subdivision 9741(24) of this
9 title is to reduce financial barriers to research and innovation in the
10 commercial, industrial, and agricultural industries in order to increase these
11 activities.

12 (l) The statutory purpose of the Vermont agricultural machinery and
13 equipment exemption in subdivision 9741(25) of this title is to promote
14 Vermont's agricultural economy.

15 (m) The statutory purpose of the Vermont energy purchases for a residence
16 exemption in subdivision 9741(26) of this title is to limit the tax on the
17 purchase cost of goods that are necessary for the health and welfare of all
18 people in Vermont Vermonters.

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

1 (o) The statutory purpose of the Vermont sales of films to movie theaters
2 exemption in subdivision 9741(28) of this title is to avoid tax-on-taxing items
3 that are normally not for permanent use within the State.

4 (p) The statutory purpose of the Vermont aircraft and depreciable parts for
5 commercial and private use exemption in subdivision 9741(29) of this title is
6 to promote the growth of the aircraft maintenance industry in Vermont by
7 lowering the cost of parts and equipment relative to other states with private
8 airplane maintenance facilities.

9 (q) The statutory purpose of the Vermont railroad rolling stock and
10 depreciable parts exemption in subdivision 9741(30) of this title is to increase
11 the use of rail for transport by lowering the costs of maintenance.

12 (r) The statutory purpose of the Vermont ferryboats and depreciable parts
13 exemption in subdivision 9741(31) of this title is to increase the use of ferry
14 for transport by lowering the costs of maintenance.

15 (s) The statutory purpose of the Vermont sales of mobile homes and
16 modular housing exemption in subdivision 9741(32) of this title is to create
17 equity between mobile and modular housing and traditional residential
18 construction by providing an exemption for the estimated portion of the cost
19 attributable to labor (versus materials).

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

4 (u) The statutory purpose of the Vermont property transferred as part of
5 personal service transaction or transfer of intangible property rights exemption
6 in subdivision 9741(35) of this title is to exempt tangible personal property that
7 is a small portion of a service because forego taxation when the cost of
8 compliance exceeds the revenues.

9 (v) The statutory purpose of the Vermont advertising materials exemption
10 in subdivision 9741(36) of this title is to exempt exclude tangible personal
11 property from taxation if it is a small portion of a larger service.

12 (w) The statutory purpose of the Vermont documents that record a
13 professional service exemption in subdivision 9741(37) of this title is to
14 exempt exclude tangible personal property from taxation that if it is a small
15 portion of a service package.

16 (x) The statutory purpose of the Vermont tracked vehicles cap in
17 subdivision 9741(38) of this title is to limit the sales tax on construction
18 vehicles such as bulldozers in order to lessen the cost of capital investments.
19 facilitated by those for which tracked vehicles are necessary.

1 (y) The statutory purpose of the Vermont sales of building materials
2 exemption in subdivisions 9741(39)(i) and (ii) of this title is to provide
3 incentives to restore and revitalize downtown districts.

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

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

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

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

20 (dd) The statutory purpose of the Vermont purchases by and limited
21 purchases from 501(c)(3) organizations exemption in subdivision 9743(3) of

1 this title is to reduce costs for certain nonprofit organizations in order to allow
2 them to dedicate more of their financial resources to furthering the
3 public-service missions of the organizations.

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

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

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

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

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

7 (ii) The statutory purpose of the Vermont sales by licensed auctioneers
8 exemption in subdivision 9741(48) of this title is to extend the “casual sale”
9 exemption to parallel situations sales involving an auctioneer.

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 Vermont local development corporations
14 exemption in section 236 of this title is to exempt government-funded entities
15 and promote economic development.

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

17 § 602. STATUTORY PURPOSES

18 The statutory purpose of the Vermont Housing Finance Agency exemption
19 in subsection 641(a) of this title is to exempt quasi-government entities that
20 provide and promote affordable housing.

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

1 § 2170. STATUTORY PURPOSES

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

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 University of Vermont exemption in section
9 1-15 of this chapter is to allow institutions providing higher education to
10 deploy more of their financial resources to their educational missions by
11 lowering their tax expenses.

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

13 § 5300. STATUTORY PURPOSES

14 The statutory purpose of the Vermont cemeteries exemption in sections
15 5317 and 5376 of this title is to exempt relieve property with a fair market
16 value that is difficult to ascertain and for which there are limited options for
17 alternative uses from taxation, OR to lessen the costs accumulated by the
18 bereaved.

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

20 § 68. STATUTORY PURPOSES

1 The statutory purpose of the Vermont libraries exemption in section 109 of
2 this title is to aid libraries in offering free and public access to information and
3 research resources.

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

5 § 4000. STATUTORY PURPOSES

6 The statutory purpose of the Vermont housing authorities exemption in
7 section 4020 of this title is to promote, provide, and preserve affordable
8 housing.

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

10 § 3750. STATUTORY PURPOSES

11 The statutory purpose of the Vermont Use Value Appraisal Program in
12 chapter 124 of this title is to preserve the working landscape and the rural
13 character of Vermont making farm and forest operations more financially
14 viable in the face of high property values.

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

16 § 3800. STATUTORY PURPOSES

17 (a) The statutory purpose of the Vermont congressionally chartered
18 organizations exemption in subdivision 3802(2) of this title is to support
19 certain organizations with a patriotic, charitable, historical, or educational
20 purpose.

1 (b) The statutory purpose of the Vermont public, pious, and charitable
2 property exemption in sections 3832 and 3840 and subdivision 3802(4) of this
3 title is to lower the tax expenses of certain organizations to allow them these
4 organizations to dedicate more of their financial resources to furthering their
5 public-service missions of the organizations.

6 (c) The statutory purpose of the Vermont college fraternities and societies
7 exemption in subdivision 3802(5) of this title is to exempt organizations that
8 provide promote civic services.

9 (d) The statutory purpose of the Vermont Young Men’s and Women’s
10 Christian Associations exemption in subdivision 3802(6) of this title is to
11 lower the tax expenses of these organizations to allow them these organizations
12 to dedicate more of their financial resources to furthering their public-service
13 missions of the organizations.

14 (e) The statutory purpose of the Vermont cemeteries exemption in
15 subdivision 3802(7) of this title is to exempt exclude property with a fair
16 market value that is difficult to ascertain and for which there are limited
17 options for alternative uses from taxation. OR to lessen the costs accumulated
18 by the bereaved.

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

1 (g) The statutory purpose of the Vermont \$10,000.00 exemption of
2 appraised value of a residence for a veteran in subdivision 3802(11) of this title
3 is to provide permanently property tax reductions to households that include a
4 recognize disabled veterans' in recognition of his or her service to Vermont
5 and to the country.

6 (h) The statutory purpose of the Vermont property exclusively installed and
7 operated for the abatement of water pollution exemption in subdivision
8 3802(12) of this title is to encourage real property improvements that abate
9 water pollution by nonpublic entities that would not qualify for an exemption
10 as a government entity.

11 (i) The statutory purpose of the Vermont humane societies exemption in
12 section 3802(15) of this title is to eliminate property taxes lower operating
13 costs for organizations that protect animals to allow them to dedicate more of
14 their financial resources to furthering their public-service missions of the
15 organizations.

16 (j) The statutory purpose of the Vermont federally qualified health center or
17 rural health clinic exemption in subdivision 3802(16) of this title is to support
18 health centers that serve an underserved area or population, offer a sliding fee
19 scale, provide comprehensive services, and have an ongoing quality assurance
20 program by lowering their tax expenses.

1 (k) The statutory purpose of the Vermont railroad property alternative tax
2 scheme in subdivision 3803(1) of this title is to provide an alternative tax
3 scheme in lieu of to the traditional method of applying the education property
4 tax rate in order to achieve consistent valuation across municipalities.

5 (l) The statutory purpose of the Vermont telephone property alternative tax
6 method referenced in subdivision 3803(2) of this title is to provide an
7 alternative tax method in lieu of to the traditional method of applying the
8 education property tax rate in order to achieve consistent valuation across
9 municipalities.

10 (m) The statutory purpose of the Vermont permanent session law
11 exemptions in 2008 Acts and Resolves No. 190, 1892 Acts and Resolves
12 No. 213, 1945 Acts and Resolves No. 204, 1939 Acts and Resolves No. 250,
13 1921 Acts and Resolves No. 31, 1921 Acts and Resolves No. 262, 1910 Acts
14 and Resolves No. 370, and 1900 Acts and Resolves No. 244 is to exempt
15 permanently provide relief to specific properties that have demonstrated an
16 individual purpose to the General Assembly.

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

18 § 5400. STATUTORY PURPOSES

19 (b) The statutory purpose of the Vermont whey processing fixtures
20 exemption in subdivision 5401(10)(G) of this title is to support industries using
21 whey processing facilities to convert waste into value-added products.

1 (c) The statutory purpose of the Vermont municipalities hosting large
2 power plants exemption in subsection 5402(d) of this title is to ~~lower property~~
3 ~~taxes by 25 percent for~~ ~~compensate~~ businesses and residents of the community
4 hosting a nuclear power facility.

5 (d) The statutory purpose of the Vermont qualified housing exemption in
6 subdivision 5404a(a)(6) of this title is ~~to reduce by 10 percent the assessment~~
7 ~~value on housing units with rent restrictions that make~~ ~~recognize the difficulty~~
8 ~~of~~ valuing these properties using the non-homestead income approach ~~difficult~~
9 and to ensure that taxes on this rent restricted housing provided to low and
10 moderate-income Vermonters are more equivalent to property taxed using the
11 state homestead rate.

12 (e) The statutory purpose of the Vermont tax increment financing districts
13 in subsection 5404a(f) of this title is to allow communities to encourage
14 investment ~~and improvements~~ that would not ~~otherwise~~ occur ~~without approval~~
15 ~~of the district~~ and to use locally the additional property tax revenue attributable
16 to those ~~improvements investments~~ to pay off the debt incurred to construct the
17 improvements.

18 (f) The statutory purpose of the Vermont Economic Progress Council
19 approved stabilization agreements in section 5404a of this title are to provide
20 exemptions on a case-by-case basis in conjunction with other economic

1 development efforts in order to facilitate economic development that would not
2 otherwise occur without the stabilization agreement.

3 (g) The statutory purpose of the Vermont large power plants alternative tax
4 scheme in subdivision 5401(10)(B) of this title is to provide an alternative tax
5 scheme in lieu of to the traditional method of applying the education property
6 tax rate in order to achieve consistent valuation across municipalities.

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

12 (i) The statutory purpose of the Vermont renewable energy plant generating
13 electricity from solar power alternative tax structure in subdivision
14 5401(10)(J)(ii) is to provide an alternative tax scheme in lieu of to the
15 traditional method of applying the education property tax rate in order to
16 achieve consistent valuation across municipalities.

17 Sec. 17. 32 V.S.A. § 6060 is added to read:

18 § 6060. STATUTORY PURPOSES

19 (b) The statutory purpose of the Vermont \$10,000.00 exemption of
20 appraised value of a residence for a veteran in subsection 6066(i) of this title is
21 to permanently provide property tax reductions to households that include a

1 recognize disabled veterans' ~~in recognition of his or her~~ service to Vermont
2 and to the country.

3 * * * Insurance Premium Taxes * * *

4 Sec. 18. 8 V.S.A. § 3700 is added to read:

5 § 3700. STATUTORY PURPOSES

6 The statutory purpose of the Vermont annuity considerations in section
7 3718 of this title is ~~to exempt nontraditional insurance or financial products, or~~
8 ~~both, from taxation in order~~ to avoid reciprocity from other states.

9 Sec. 19. 8 V.S.A. § 4460 is added to read:

10 § 4460. STATUTORY PURPOSES

11 The statutory purpose of the Vermont fraternal societies in section 4500 of
12 this title is to support benevolent societies that provide benefits to ~~its~~ members
13 and to the community.

14 * * * Transportation Taxes * * *

15 Sec. 20. 23 V.S.A. § 3000 is added to read:

16 § 3000. STATUTORY PURPOSES

17 The statutory purpose of the Vermont diesel tax exemption in section 3003
18 of this title is to ~~exempt~~ relieve off-road uses and farm truck ~~uses~~ from the user
19 fee for the State highway system.

1 Sec. 21. 32 V.S.A. § 8900 is added to read:

2 § 8900. STATUTORY PURPOSES

3 (a) The statutory purpose of the Vermont pious or charitable institutions or
4 volunteer fire companies exemption in subdivision 8911(3) of this title is to
5 lower the ~~tax expenses~~ ~~operating costs~~ of pious and charitable organizations
6 considered exempt under subdivision 3802(4) of this title to allow them to
7 dedicate more of their financial resources to furthering their public-service
8 missions ~~of the organizations~~.

9 (b) The statutory purpose of the Vermont nonregistered vehicles exemption
10 in subdivision 8911(5) of this title is to ~~exempt~~ ~~exclude~~ vehicles that are not
11 entitled to use the State highway system from the tax.

12 (c) The statutory purpose of the Vermont gifts exemption in subdivision
13 8911(8) of this title is to avoid the intrusion of a tax into sharing transactions
14 that are common within families.

15 (d) The statutory purpose of the Internal Revenue Code § 351 exemption in
16 subdivision 8911(10) of this title is to limit the tax to transfers of ownership
17 between two distinct parties.

18 (e) The statutory purpose of the Vermont handicapped exemption in
19 subdivision 8911(12) of this title is to lessen the cost of purchasing a vehicle
20 that has been modified to meet the physical needs of a qualifying Vermonter.

1 Appropriations and the Senate Committees on Finance and Appropriations a
2 report on tax expenditures in the personal and corporate income taxes, sales
3 and use tax, and meals and rooms tax, insurance premium tax, bank franchise
4 tax, education property tax, diesel fuel tax, gasoline tax, motor vehicle
5 purchase and use tax, ~~and such other tax expenditures for which the Joint~~
6 ~~Fiscal Office and the Department of Taxes jointly have produced revenue~~
7 ~~estimates.~~ The Office of Legislative Council shall also be available to assist
8 with this tax expenditure report. The report shall include, for each tax
9 expenditure, the following information:

10 (1) A description of the tax expenditure.

11 (2) The most recent fiscal information available on the direct cost of the
12 tax expenditure in the past two years.

13 (3) The date of enactment of the expenditure.

14 (4) A description of and estimate of the number of taxpayers directly
15 benefiting from the expenditure provision.

16 (5) A description of the statutory purpose explaining the policy goal
17 behind the expenditure as required by subsection (d) of this section and 2013
18 Acts and Resolves No.73, Sec. 5.

19 (6) A compilation of the items excluded under subsection (a).

20 (c) Every tax expenditure, as defined in subsection (a), in the tax
21 expenditure report required by this section shall be accompanied in statute by a

1 statutory purpose explaining the policy goal behind the exemption, exclusion,
2 deduction, or credit applicable to the tax. The statutory purpose shall appear as
3 a separate subsection or subdivision in statute and shall bear the title "Statutory
4 Purpose." Notwithstanding any other provision of law, a tax expenditure listed
5 in the tax expenditure report that lacks a statutory purpose in statute shall not
6 be implemented or enforced until a statutory purpose is provided.

7 * * * Public, Pious, and Charitable Properties * * *

8 Sec. 24. 32 V.S.A. § 3802(4) is amended to read:

9 (4) Real and personal estate granted, sequestered or used for public,
10 pious or charitable uses; ~~real property owned by churches or church societies~~
11 ~~or conferences and used as parsonages and personal property therein used by~~
12 ~~ministers engaged in full time work in the care of the churches of their~~
13 ~~fellowship within the state~~ real and personal property owned by churches,
14 synagogues, religious societies, or religious conferences and used as a house of
15 worship, parsonage, convent, center for religious education, administrative
16 office, home provided without regard to any ability to pay, or school; real and
17 personal estate set apart for library uses and used by the public and private
18 circulating libraries, open to the public and not used for profit; lands leased by
19 towns or town school districts for educational purposes; and lands owned or
20 leased by colleges, academies or other public schools or leased by towns for
21 the support of the gospel; and lands and buildings owned and used by towns

1 for the support of the poor therein; but private buildings on such lands shall be
2 set in the list to the owners thereof, and shall not be exempt. The exemption of
3 lands owned or leased by colleges, academies or other public schools, shall not
4 apply to lands or buildings rented for general commercial purposes, nor to
5 farming or timber lands owned or leased thereby; but this provision shall not
6 affect the exemption of so-called school or college lands, sequestered to such
7 use prior to January 28, 1911.

8 Sec. 25. 32 V.S.A. § 3832 is amended to read:

9 § 3832. PUBLIC, PIOUS AND CHARITABLE USES

10 The exemption from taxation of real and personal estate granted,
11 sequestered or used for public, pious or charitable uses shall not be construed
12 as exempting:

13 (1) Real and personal property held in trust for a municipal corporation
14 by virtue of a trust which takes effect after passage of this act when the
15 property is located outside the town where the said municipal corporation has
16 its principal place of business, unless the town or municipality in which the
17 property is located so votes at any regular or special meeting duly warned
18 therefor.

19 (2) ~~Real estate owned or kept by a religious society other than a church~~
20 ~~edifice, a parsonage, the outbuildings of the church edifice or parsonage, a~~
21 ~~building used as a convent, school, orphanage, home or hospital, land adjacent~~

1 ~~to any of the buildings named in this subsection, kept and used as a parking lot~~
2 ~~not used to produce income, lawn, playground or garden and the so-called~~
3 ~~glebe lands~~ real and personal property owned by churches, synagogues,
4 religious societies, or religious conferences and used as a house of worship,
5 parsonage, convent, center for religious education, administrative office, home
6 provided without regard to any ability to pay, or school; related outbuildings;
7 land not used to produce income adjacent to any of these buildings and kept
8 and used as a parking lot, lawn, playground, or garden, or any glebe lands
9 sequestered as tax-exempt;.

10 * * *

11 * * * Repeals * * *

12
13 Sec. 26. REPEALS

14 (a) 32 V.S.A. § 9771a (limitation of tax on telecommunications services)
15 is repealed on January 1, 2015.

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

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* * * Effective Date * * *

Sec. 27. EFFECTIVE DATE

This act shall take effect on July 1, 2014.

(Committee vote: _____)

Representative _____

FOR THE COMMITTEE