

# Vermont Legislative Council

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## MEMORANDUM

To: Joint Fiscal Committee

From: Peter Griffin; Brynn Hare

Date: December 2, 2013

Subject: Statutory purpose language

Pursuant to 2013 Acts and Resolves No. 73, Secs. 4 and 5, the Joint Fiscal Committee is tasked with drafting a statutory purpose for each tax expenditure in the report required by 32 V.S.A. § 312. Attached to this memorandum is draft bill language designed to fulfill this obligation, and a chart that identifies the changes our office has made to the language you have seen from the Joint Fiscal Office.

The statutory purpose language for each tax expenditure is grouped together by tax type, and typically appears as a new section in the beginning of the relevant chapter. For example, Sec. 3 of the bill creates a new section of law at the beginning of chapter 151 in Title 32 where all the income tax expenditures in that chapter would be listed, described, and cross-referenced. All of the new statutory purpose sections include specific references to both the title and statutory section of the tax expenditure.

This draft takes the language the Committee has already received from the Joint Fiscal Office and puts it in bill form. The draft bill includes some changes for the purposes of formatting and style and makes two primary types of substantive changes. In some sections, our office inserted the word “certain” in front of the words “nonprofit organizations” to make it clear that the particular tax expenditure in question was not intended to apply to all nonprofit organizations. Also, in a few places, the term “Vermont residents” was changed to “all people in Vermont” when the tax expenditure had a broader affect than just for people who are domiciled in Vermont. The attached chart details every change our office has made to the language from the Joint Fiscal Office.

Our office added a substantive section. There are certain federal income tax expenditures that are built into Vermont’s income tax base, and which are noted in the tax expenditure report. We added language to provide a statutory purpose for Vermont’s decision to incorporate these federal expenditures in our income tax base.