

1 TO THE HONORABLE SENATE:

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

7 Sec. 1. 32 V.S.A. § 9701(48)–(52) 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           (49) Sales of compost, animal manure, manipulated animal manure, and  
2           planting mix when sold in aggregate volumes of one cubic yard or greater, or  
3           when sold unpackaged.

4           Sec. 3. STATUTORY PURPOSE

5           The statutory purpose of the exemptions for composting materials, compost,  
6           animal manure, manipulated animal manure, and planting mix in 32 V.S.A.  
7           § 9741(49) and (50) is to support the composting industry, and to further the  
8           goals of 2012 Acts and Resolves No. 148. The Office of Legislative Council is  
9           authorized to place these statutory purposes in the appropriate statutory  
10           sections prior to July 1, 2014.

11           Sec. 4. APPLICATION OF SALES TAX; COMPOST

12           Notwithstanding the imposition under 32 V.S.A. § 9771 of the sales and use  
13           tax on the sale of compost and planting mix for farming, the Department of  
14           Taxes shall not impose or collect the sales and use tax on the sale of compost  
15           or planting mix for farming that occurred prior to November 1, 2010, and  
16           notwithstanding the three year statute of limitations provision within 32 V.S.A.  
17           § 9781(a), taxes paid on such charges shall be refunded upon request if  
18           documented to the satisfaction of the Commissioner of Taxes. The  
19           Department shall issue a public notice of the availability of the refund on or  
20           before July 1, 2014, and any refund requests must be made within 60 days of  
21           the date of such public notice to be eligible for the refund. As used in this

1 section, “compost” shall have the same meaning as in 10 V.S.A. § 1266b(1),  
2 “planting mix” shall have the same meaning as in 32 V.S.A. § 9701(51), and  
3 “farming” shall have the same meaning as in 10 V.S.A. § 6001(22). On or  
4 before January 15, 2015, the Department of Taxes shall provide a status report  
5 on the cost of the refunds authorized under this section to the House  
6 Committee on Ways and Means, the Senate Committee on Finance, the House  
7 Committee on Agriculture and Forest Products, and the Senate Committee on  
8 Agriculture.

9 Sec. 5. EFFECTIVE DATE

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

11

12

13

14

15

16

17 (Committee vote: \_\_\_\_\_)

18

\_\_\_\_\_

19

Senator \_\_\_\_\_

20

FOR THE COMMITTEE