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	(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	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