

**MISCELLANEOUS TAX PROPOSALS**  
**Draft 2.1 -- For Discussion Purposes**  
**Peter Griffin, Legislative Council**

Sec.	Summary	Notes
<b>TECHNICAL AND ADMINISTRATIVE CHANGES</b> <b>Income and Estate Taxes</b>		
<b>1</b>	<b>Form 1099 - credit card processors.</b> Requires credit card processors to file with the Tax Department within 30 days a copy of the 1099 they file with the IRS to account for payments the credit card processor makes to a merchant.	
<b>2</b>	<b>Consolidated returns.</b> Makes an election to file a consolidated return binding for a five-year period.	
<b>3</b>	<b>VEGI filing requirements.</b> Makes clear that the claim must be filed by the last day of April for the prior year's utilization period and, if the business fails to file a claim, authorization for the incentive may be revoked.	
<b>4 &amp; 5</b>	<b>Annual update.</b> Updates reference in statutes to Vermont's links to federal law for the purposes of the income and estate taxes.	
<b>Tax Increment Financing Districts</b>		
<b>6</b>	<b>Burlington TIF.</b> Alters formula for payments into Education Fund and removes redundant reporting requirement.	
<b>7</b>	<b>Related Costs.</b> Clarifies when related costs may be taken.	
<b>8</b>	<b>Proportionality.</b> Technical correction to change phrase replaced by 2013 Acts and Resolves No. 80.	
<b>9</b>	<b>Original taxable value.</b> Clarifies the listing practices for calculating original taxable value.	
<b>10</b>	<b>Tax increment.</b> Clarifies who calculates the increment and how it is accounted for at the municipal level.	
<b>11</b>	<b>Information reporting.</b> Clarifies what information must go into an audit report, and the timing of audits.	

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12	<b>Rulemaking and enforcement.</b> Technical changes and requires the Secretary's decisions be in writing to municipalities.	
13	<b>Audits.</b> Amends the schedule for audits to harmonize the timing of audits for all districts.	
<b>Property Taxes and Property Tax Adjustments</b>		
14	<b>Lister designations.</b> Strikes several specific lister designations that no longer exist and allows the Director more flexibility in designating levels of achievement.	
15	<b>Petitions to PVR for redetermination of equalization decisions.</b> Changes the notice date from the day a town receives the notice to the day PVR sends it. Extends filing period by five days.	
16	<b>Homestead declarations - time to pay.</b> Clarifies that the issuance of a corrected property tax bill due to a late filing or refiling of a homestead declaration does not excuse the taxpayer from paying the original liability. Any overpayment is to be reflected in the corrected bill. Allows the towns the discretion to set penalties of up to 3 percent or up to 8 percent for late or misfiled declarations. Companion to Sec. 18.	
17	<b>Homestead declaration - date for refiling.</b> Moves the date for refiling a homestead declaration to October 15 to be consistent with filing for property tax adjustment deadlines.	
18	<b>Property tax adjustments - time to pay.</b> Companion provision to Sec. 16. Clarifies that the issuance of a corrected property tax bill due to a late filing or refiling of a homestead declaration does not excuse the taxpayer from paying the original liability. Any overpayment is to be reflected in the corrected bill.	
<b>Meals and Rooms Tax</b>		
19	<b>Technical change.</b> Updates the program name for subsidized food benefits.	

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<b>Property Transfer Tax</b>		
20	<b>Filing requirements.</b> Removes the signature requirement for returns that accompany deeds for filing by a clerk. Conforms with the removal of signature requirement from underlying return passed in 2012.	
<b>POLICY AND REVENUE CHANGES Alcoholic Beverages</b>		
21	<b>Distilled spirits.</b> Clarifies that manufacturers and rectifiers only pay tax on sales of their own beverages under a class-four license.	
<b>Property Taxes</b>		
22	<b>Shared equity housing.</b> Requires owner-occupied housing subject to a housing subsidy covenant be valued at 70 percent of fair market value. Adds a requirement for the Commissioner to report every five years on whether the percentage used in this provision should be altered.	
23-24	<b>Municipally owned lakeshore property.</b> Alters related changes made in 2013. Allows a town, in two specific instances, to vote to exempt from its municipal taxes lakeshore property owned by a different town. Exempts, in two specific instances, municipally owned lakeshore property in a different town from statewide education property taxes.	
25	<b>Health and recreation property.</b> Makes clear that certain health and recreation facilities are considered exempt properties under the public, pious, and charitable exemption.	
<b>Solar Capacity Tax</b>		
26	<b>Exemption.</b> Exempts from both the statewide education tax and municipal property taxes solar renewable energy plants with less than a 50 kW capacity that are either net metered or not connected to the power grid.	
27	<b>Municipal valuation.</b> Puts in place a statutory process for determining the fair market value of solar renewable energy plants.	

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28	<b>Municipal exemptions.</b> Updates the language for municipally voted exemptions for renewable energy plants and makes several conforming changes.	
29	<b>Capacity tax.</b> Increases the current exemption from the capacity tax from plants with 10kW capacity or greater to plants with less than 50kW capacity.	
30	<b>Repeal.</b> Repeals the prospective 2023 repeal of the exemption from the uniform capacity tax for smaller plants.	
<b>Valuation of Natural Gas and Petroleum Infrastructure</b>		
31	<b>Valuation.</b> For purposes of the statewide education property tax, the Director of PVR shall determine the appraised value of all natural gas or petroleum infrastructure within this State. The Director's valuation shall be on a cost basis, but shall not be depreciated below 30 percent of its cost.	
<b>Income Taxes</b>		
32	<b>Use tax reporting.</b> Increases the amount of use tax a taxpayer may elect to report from 0.08 percent of the taxpayer's adjusted gross income to 0.10 percent.	
33	<b>Medical marijuana dispensaries.</b> Allows medical marijuana dispensaries to take certain expenses against their State income that they cannot take at the federal level.	
<b>Downtown and Village Center Tax Credits</b>		
34	<b>Limit.</b> Increases the total limit in tax credits available from \$1,700,000 to \$2,200,000.	
35	<b>Sales tax exemption.</b> Repeals exemption for purchases in excess of \$250,000 for downtown redevelopment projects.	
36	<b>Flood-related tax credits.</b> Authorizes a credit of \$88,000 to Latchis Arts for Irene-related damage under 32 V.S.A. § 5930bb.	

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<b>Research and Development Expenses</b>		
37	<b>Exemption.</b> Reduces the percentage of the federal credit allowed against State income tax from 30 percent to 24 percent. Requires Tax Department to identify which taxpayers take the credit.	
<b>Tobacco</b>		
38	<b>E-cigarettes.</b> Includes e-cigarettes in the definition of “other tobacco products” and taxes them as such.	
39	<b>Snuff.</b> Taxes snuff on par with cigarettes.	
40	<b>Floor tax.</b> Imposes a corresponding floor tax on snuff.	
<b>Sales and Use Tax — Contractors</b>		
41	<b>Definition of sales.</b> Changes definition of retail sales to include sales to contractors of items intended to be affixed to real property.	
42	<b>Sales to contractors.</b> Includes sales to contractors in list of sales covered by the sales and use tax.	
43	<b>Certificates of exemption.</b> Allows contractors to apply for direct payment permits from the Commissioner.	
<b>Sales and Use Tax — Telecommunications Services</b>		
44	<b>Telecommunications services.</b> Change would have the effect of imposing the use tax on telecommunications services.	
<b>Propane Canisters</b>		
45	<b>Canisters.</b> Clarifies that propane sold in free-standing canisters is not subject to the fuel gross receipts tax.	
46	<b>Sales tax.</b> Makes propane sold in free-standing containers subject to the sales tax.	

<b>Sec.</b>	<b>Summary</b>	<b>Notes</b>
<b>Repeals</b>		
47	<b>Repeal.</b>	
<b>Effective Dates</b>		
48	<b>Effective dates.</b>	