

1 S.90

2 Introduced by Senator Rodgers

3 Referred to Committee on

4 Date:

5 Subject: Taxation; statewide education property tax; homestead declarations;
6 timing

7 Statement of purpose of bill as introduced: This bill proposes to shorten the
8 late filing period for taxpayers who do not file homestead declarations or
9 property tax adjustment by the statutory deadline of April 15. The bill shortens
10 the period when a late filed homestead declaration or property tax adjustment
11 will be accepted from October 15 to May 15.

12 An act relating to shortening the late filing period for homestead
13 declarations

14 It is hereby enacted by the General Assembly of the State of Vermont:

15 Sec. 1. 32 V.S.A. § 5410(h) and (i) are amended to read:

16 (h) The filing of a new or corrected declaration or rescission of an
17 erroneous declaration, ~~on or before September 1 of the property tax year,~~ that
18 is not reflected in the first Education Fund payment under 16 V.S.A. § 4028 for
19 that fiscal year or in a municipality's first payment to the Education Fund
20 under subsection 5402(c) of this title for that fiscal year, shall be reflected in

1 the final net payment to or from the Education Fund for that fiscal year. The
2 municipality may retain 0.225 of one percent of the tax collected. Any
3 reduction in tax paid to a municipality due to a new, revised, or rescinded
4 declaration shall be paid by the municipality to the taxpayer no later than
5 May 15 of the fiscal year. No later than June 1, each municipality shall
6 provide to the State Treasurer a list of taxpayers who filed late or corrected
7 declarations or rescinded declarations, the amount of the change in education
8 tax, and the amount of any interest and penalty billed the taxpayer.

9 (i) An owner filing a new or corrected declaration, or rescinding an
10 erroneous declaration, after ~~October 15~~ May 15 shall not be entitled to a refund
11 resulting from the correct property classification; and any additional property
12 tax and interest which would result from the correct classification shall not be
13 assessed as tax and interest, but shall instead constitute an additional penalty,
14 to be assessed and collected in the same manner as penalties under subsection
15 (g) of this section. Any change in property classification under this subsection
16 shall not be entered on the grand list.

17 Sec. 2. 32 V.S.A. § 6066a is amended to read:

18 § 6066a. DETERMINATION OF PROPERTY TAX ADJUSTMENTS

19 (a) Annually, the Commissioner shall determine the property tax
20 adjustment amount under section 6066 of this title, related to a homestead
21 owned by the claimant. The Commissioner shall notify the municipality in

1 which the housesite is located of the amount of the property tax adjustment for
2 the claimant for homestead property tax liabilities, ~~on July 1 for timely filed~~
3 ~~claims and on November 1 for late claims filed by October 15~~ on or before
4 July 1. The tax adjustment of a claimant who was assessed property tax by a
5 town which revised the dates of its fiscal year, however, is the excess of the
6 property tax which was assessed in the last 12 months of the revised fiscal
7 year, over the adjusted property tax of the claimant for the revised fiscal year
8 as determined under section 6066 of this title, related to a homestead owned by
9 the claimant.

10 (b) The Commissioner shall include in the total property tax adjustment
11 amount determined under subsection (a) of this section, for credit to the
12 taxpayer for homestead property tax liabilities, any income tax overpayment
13 remaining after allocation under section 3112 of this title and setoff under
14 section 5934 of this title, which the taxpayer has directed to be used for
15 payment of property taxes.

16 (c) The Commissioner shall notify the municipality of any claim and
17 refund amounts unresolved by November 1 at the time of final resolution,
18 including adjudication if any; provided, however, that towns will not be
19 notified of any additional adjustment amounts after November 1 of the claim
20 year, and such amounts shall be paid to the claimant by the Commissioner.

1 (d) For late claims filed after April 15 the property tax adjustment amount
2 shall be reduced by \$15.00.

3 (e) At the time of notice to the municipality, the Commissioner shall notify
4 the taxpayer of the property tax adjustment amount determined under
5 subdivision 6066(a)(1) of this title; the amount determined under subdivision
6 6066(a)(3) of this title; any additional adjustment amounts due the homestead
7 owner under section 6066 of this title; the amount of income tax refund, if any,
8 allocated to payment of homestead property tax liabilities; and any late-claim
9 reduction amount.

10 (f) Property tax bills.

11 (1) For taxpayers and amounts stated in the notice to towns on July 1,
12 municipalities shall create and send to taxpayers a homestead property tax bill,
13 instead of the bill required under subdivision 5402(b)(1) of this title, providing
14 the total amount allocated to payment of homestead education property tax
15 liabilities and notice of the balance due. Municipalities shall apply the amount
16 allocated under this chapter to current-year property taxes in equal amounts to
17 each of the taxpayers' property tax installments that include education taxes.
18 ~~Notwithstanding section 4772 of this title, if a town issues a corrected bill as a~~
19 ~~result of the November 1 notice sent by the Commissioner under subsection (a)~~
20 ~~of this section, issuance of such corrected new bill does not extend the time for~~
21 ~~payment of the original bill, nor relieve the taxpayer of any interest or penalties~~

1 ~~associated with the original bill. If the corrected bill is less than the original~~
2 ~~bill, and there are also no unpaid current year taxes, interest or penalties and no~~
3 ~~past year delinquent taxes or penalties and interest charges, any overpayment~~
4 ~~shall be reflected on the corrected tax bill and refunded to the taxpayer.~~

5 (2) ~~For property tax adjustment amounts for which municipalities receive~~
6 ~~notice after November 1, municipalities shall issue a new homestead property~~
7 ~~tax bill with notice to the taxpayer of the total amount allocated to payment of~~
8 ~~homestead property tax liabilities and notice of the balance due. [Repealed.]~~

9 (3) The property tax adjustment amount determined for the taxpayer
10 shall be allocated first to current-year property tax on the homestead parcel,
11 next to current-year homestead parcel penalties and interest, next to any prior
12 year homestead parcel penalties and interest, and last to any prior year property
13 tax on the homestead parcel. No adjustment shall be allocated to a property tax
14 liability for any year after the year for which the claim or refund allocation was
15 filed. No municipal tax-reduction incentive for early payment of taxes shall
16 apply to any amount allocated to the property tax bill under this chapter.

17 (4) If the property tax adjustment amount as described in subsection (e)
18 of this section exceeds the property tax, penalties, and interest, due for the
19 current and all prior years, the municipality shall refund the excess to the
20 taxpayer, without interest, within 20 days of the first date upon which taxes

1 become due and payable or 20 days after notification of the adjustment amount
2 by the Commissioner of Taxes, whichever is later.

3 (g) Annually, on August 1 ~~and on November 1~~, the Commissioner of Taxes
4 shall pay to each municipality the amount of property tax adjustment of which
5 the municipality was notified on July 1 ~~for the August 1 transfer, or November~~
6 ~~1 for the November 1 transfer~~, related to municipal property tax on homesteads
7 within that municipality, as determined by the Commissioner of Taxes.

8 Sec. 3. 32 V.S.A. § 6068 is amended to read:

9 § 6068. APPLICATION AND TIME FOR FILING

10 (a) A tax adjustment claim or request for allocation of an income tax refund
11 to homestead property tax payment shall be filed with the Commissioner on or
12 before the due date for filing the Vermont income tax return, without
13 extension, and shall describe the school district in which the homestead
14 property is located and shall particularly describe the homestead property for
15 which the adjustment or allocation is sought, including the school parcel
16 account number prescribed in subsection 5404(b) of this title. A renter rebate
17 claim shall be filed with the Commissioner on or before the due date for filing
18 the Vermont income tax return, without extension.

19 (b) Late-filing penalties. If the claimant fails to file a timely claim, the
20 amount of the property tax adjustment under this chapter shall be reduced by
21 \$15.00, but not below \$0.00, which shall be paid to the municipality for the

1 cost of issuing an adjusted homestead property tax bill. No benefit shall be
2 allowed in the calendar year unless the claim is filed with the Commissioner on
3 or before ~~October 15~~ May 15.

4 (c) No request for allocation of an income tax refund or for a renter rebate
5 claim may be made after ~~October 15~~ May 15.

6 Sec. 4. EFFECTIVE DATE

7 This act shall take effect on January 1, 2016, and apply to claims filed in
8 2016 and after.