

1 Introduced by Committee on Health Care

2 Date:

3 Subject: Health; health care reform; Medicaid; Green Mountain Care Board;

4 Vermont Health Benefit Exchange; physicians; Blueprint for Health;

5 taxation; sugar-sweetened beverage tax; payroll tax

6 Statement of purpose of bill as introduced: This bill proposes to increase
7 Exchange cost-sharing subsidies for individuals with incomes between 200 and
8 300 percent of the federal poverty level. It would appropriate funds to increase
9 health care provider reimbursement rates for services delivered to Medicaid
10 beneficiaries and would direct the Green Mountain Care Board to account for
11 the impact of these investments on the cost shift. The bill would increase
12 payments through the Blueprint for Health for patient-centered medical homes
13 and community health teams. It would appropriate funds for health care
14 provider loan repayment, health homes, and the Office of the Health Care
15 Advocate. The bill would direct the Green Mountain Care Board to propose a
16 model for providing consumers with information about the cost and quality of
17 health care services available across the State. It would also appropriate funds
18 to the Green Mountain Care Board to provide the capacity to implement an
19 all-payer waiver and to set reimbursement rates for providers. The bill would
20 require creation of a mental health and addiction services provider registry and
21 direct the Department of Vermont Health Access to evaluate the methodology

1 by which it reimburses ambulance and emergency medical service providers.
2 It would also create a task force to develop a proposal for achieving universal
3 health care coverage in Vermont and create a study of universal, publicly
4 financed primary care for all Vermonters. The bill would establish a 0.3
5 percent payroll tax and an excise tax on sugar-sweetened beverages. It would
6 also eliminate the employers' Health Care Fund contribution assessment and
7 repeal the 2017 sunset of a claims tax for health information technology.

8 An act relating to supporting health care initiatives and establishing payroll
9 and sugar-sweetened beverage taxes

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

11 * * * Increasing Access to Health Care Providers and
12 Health Insurance Coverage * * *

13 Sec. 1. 33 V.S.A. § 1812(b) is amended to read:

14 (b)(1) An individual or family with income at or below 300 percent of the
15 federal poverty guideline shall be eligible for cost-sharing assistance, including
16 a reduction in the out-of-pocket maximums established under Section 1402 of
17 the Affordable Care Act.

18 (2) The Department of Vermont Health Access shall establish
19 cost-sharing assistance on a sliding scale based on modified adjusted gross

1 income for the individuals and families described in subdivision (1) of this
2 subsection. Cost-sharing assistance shall be established as follows:

3 (A) for households with income at or below 150 percent of the
4 federal poverty level (FPL): 94 percent actuarial value;

5 (B) for households with income above 150 percent FPL and at or
6 below ~~200~~ 300 percent FPL: 87 percent actuarial value;

7 ~~(C) for households with income above 200 percent FPL and at or~~
8 ~~below 250 percent FPL: 77 percent actuarial value;~~

9 ~~(D) for households with income above 250 percent FPL and at or~~
10 ~~below 300 percent FPL: 73 percent actuarial value.~~

11 (3) Cost-sharing assistance shall be available for the same qualified
12 health benefit plans for which federal cost-sharing assistance is available and
13 administered using the same methods as set forth in Section 1402 of the
14 Affordable Care Act.

15 Sec. 2. COST-SHARING SUBSIDY; APPROPRIATION

16 (a) Increasing the cost-sharing subsidies available to Vermont residents
17 will not only make it easier for people with incomes below 300 percent of the
18 federal poverty level to access health care services, but it may encourage some
19 residents without insurance to enroll for coverage if they know they will be
20 able to afford to use it.

1 (b) The sum of \$4,181,760.00 is appropriated from the State Health Care
2 Resources Fund to the Department of Vermont Health Access in fiscal year
3 2016 to increase Exchange cost-sharing subsidies beginning on January 1,
4 2016 to provide coverage at an 87 percent actuarial value to individuals with
5 incomes between 200 and 300 percent of the federal poverty level.

6 Sec. 3. ADDRESSING THE COST SHIFT

7 (a) The sum of \$30,500,000.00 in Global Commitment funds is
8 appropriated to the Department of Vermont Health Access in fiscal year 2016
9 to increase reimbursement rates to providers for services provided to Medicaid
10 beneficiaries.

11 (b) In allocating the funds appropriated pursuant to this section, the
12 Department of Vermont Health Access shall direct \$10,000,000.00 in Global
13 Commitment funds to rate increases for primary care providers beginning on
14 July 1, 2015. Beginning on January 1, 2016, the Department shall provide a
15 reasonable rate increase to the providers at Dartmouth Hitchcock Medical
16 Center for services provided to Vermont Medicaid beneficiaries in recognition
17 of their important role in providing health care to Vermont residents. Of the
18 remaining amount, the Department shall allocate the balance between hospital
19 outpatient and professional services rate increases for services provided to
20 Medicaid beneficiaries beginning on January 1, 2016.

1 Sec. 4. COST SHIFT ACCOUNTABILITY

2 (a) The Green Mountain Care Board shall account for the impact on the
3 cost shift of the investments in Sec. 3 of this act through its regulatory
4 authority over hospital budgets and health insurer rates. The Board shall
5 include its assessment of the impacts in its annual report pursuant to 18 V.S.A.
6 § 9375(d).

7 (b) Each nonprofit hospital service corporation established pursuant to
8 8 V.S.A. chapter 123, nonprofit medical service corporation established
9 pursuant to 8 V.S.A. chapter 125, and any other health insurer licensed to offer
10 major medical health insurance plans in this State shall adjust its
11 reimbursements to health care providers and premiums or administrative fees
12 charged to account for the impact of investing funds in Medicaid provider
13 reimbursement in order to ensure the cost shift is reduced to the fullest extent
14 possible.

15 Sec. 5. RATE INCREASES FOR OTHER MEDICAID PROVIDERS

16 (a) The sum of \$5,670,000.00 in Global Commitment funds is appropriated
17 to the Agency of Human Services in fiscal year 2016 for the purpose of
18 increasing reimbursement rates beginning on January 1, 2016 for providers
19 under contract with the Departments of Disabilities, Aging, and Independent
20 Living, of Mental Health, of Corrections, of Health, and for Children and
21 Families to provide services to Vermont Medicaid beneficiaries.

1 (b) The sum of \$1,250,000.00 in Global Commitment funds is appropriated
2 to the Department of Vermont Health Access in fiscal year 2016 for the
3 purpose of increasing reimbursement rates to home health agencies, as defined
4 in 8 V.S.A. § 4095, beginning on January 1, 2016 for services provided to
5 Medicaid beneficiaries, including participants in the Choices for Care program.
6 Beginning on January 1, 2016, the Department shall also modify
7 reimbursement methodologies and amounts to home health agencies to provide
8 prospective payments and to include a quality component.

9 Sec. 6. BLUEPRINT FOR HEALTH INCREASES

10 (a) The sum of \$4,508,911.00 in Global Commitment funds is appropriated
11 to the Department of Vermont Health Access in fiscal year 2016 to increase
12 payments to patient-centered medical homes, increase payments to community
13 health teams, and rebalance community health teams as described in
14 subsection (b) of this section.

15 (b) Beginning on January 1, 2016, the Department of Health Access shall:

16 (1) Increase payments to the Blueprint for Health community health
17 teams under 18 V.S.A. § 705 by \$541,078.00 in Global Commitment funds.

18 (2) Adjust payments for community health teams under 18 V.S.A. § 705
19 to reflect revised patient attribution and the market share of insurers and
20 Medicaid. Payments may be modified as set forth in 18 V.S.A. § 702(b) and
21 insurers shall participate in the new payment amounts as required by 18 V.S.A.

1 § 706. The Department shall increase its payments to reflect increased
2 Medicaid enrollment by an amount up to \$467,833.00.

3 (3) Increase payments to patient-centered medical homes under
4 18 V.S.A. § 704 by \$3,500,000.00 in Global Commitment funds.

5 (c) In its use of the funds appropriated in this section, the Blueprint for
6 Health shall work collaboratively to **begin including family-centered**
7 **approaches and adverse childhood experience screenings consistent with**
8 **the report entitled “Integrating ACE-Informed Practice into the Blueprint**
9 **for Health.”**

10 Sec. 7. AREA HEALTH EDUCATION CENTERS

11 The sum of \$700,000.00 in Global Commitment funds is appropriated to the
12 Department of Health in fiscal year 2016 for a grant to the Area Health
13 Education Centers for repayment of educational loans for health care providers
14 and health care educators.

15 * * * Consumer Information, Assistance, and Representation * * *

16 Sec. 8. OFFICE OF THE HEALTH CARE ADVOCATE;

17 APPROPRIATION; INTENT

18 (a) The Office of the Health Care Advocate has a critical function in the
19 Vermont’s health care system. The Health Care Advocate provides
20 information and assistance to Vermont residents who are navigating the health
21 care system and represents their interests in interactions with health insurers,

1 health care providers, Medicaid, the Green Mountain Care Board, the General
2 Assembly, and others. The continuation of the Office of the Health Care
3 Advocate is necessary to achieve additional health care reform goals.

4 (b) The sum of \$40,000.00 is appropriated from the State Health Care
5 Resources Fund to the Agency of Administration in fiscal year 2016 for its
6 contract with the Office of the Health Care Advocate.

7 (c) It is the intent of the General Assembly that beginning with the 2017
8 fiscal year budget, the Governor’s budget proposal developed pursuant to
9 32 V.S.A. chapter 5 should include a separate provision identifying the
10 aggregate sum to be appropriated from all State sources to the Office of the
11 Health Care Advocate.

12 Sec. 9. CONSUMER INFORMATION AND PRICE TRANSPARENCY

13 The Green Mountain Care Board shall evaluate potential models for
14 providing consumers with information about the cost and quality of health care
15 services available across the State, including a consideration of the models
16 used in Maine, Massachusetts, and New Hampshire, as well as any platforms
17 developed and implemented by health insurers doing business in this State. On
18 or before October 1, 2015, the Board shall report its findings and a proposal for
19 a robust Internet-based consumer health care information system to the House
20 Committee on Health Care, the Senate Committees on Health and Welfare and
21 on Finance, and the Health Reform Oversight Committee.

1 * * * Investments in Future Structural Reforms in Health Care * * *

2 Sec. 10. GREEN MOUNTAIN CARE BOARD; ALL-PAYER WAIVER;
3 RATE-SETTING

4 (a) The sum of \$3,477,526.00 is appropriated to the Green Mountain Care
5 Board in fiscal year 2016, of which \$857,386.00 comes from the General
6 Fund, \$861,367.00 is in Global Commitment funds, \$1,500,049.00 comes from
7 the Board’s bill-back authority pursuant to 18 V.S.A. § 9374(h), \$60,000.00
8 comes from the Health IT-Fund, \$155,692.00 comes from an interdepartmental
9 transfer from the Department of Vermont Health Access, and \$43,032.00
10 comes from federal funds.

11 (b) Of the funds appropriated pursuant to this section, the Board shall use:

- 12 (1) \$801,830.49 for positions and operating expenses related to the
13 Board’s provider rate-setting authority;
14 (2) \$2,143,195.44 for expenses related to an all-payer waiver and to
15 provider rate-setting;
16 (3) \$300,000.00 for expenses related to reducing the Medicaid cost shift;
17 (4) \$172,500.00 to initiate an inquiry into whether the public good
18 would be served by regulating health care reimbursement in Vermont as a
19 public utility; and
20 (5) \$60,000.00 to provide oversight of the budget and activities of the
21 Vermont Information Technology Leaders, Inc.

1 (c) On or before February 1, 2017, the Board shall report to the House
2 Committee on Health Care, the Senate Committees on Health and Welfare and
3 on Finance, and the Governor with its findings and recommendations regarding
4 the implementation of a public utility model for the regulation of health care
5 reimbursement.

6 * * * Vermont Information Technology Leaders * * *

7 Sec. 14. 18 V.S.A. § 9352 is amended to read:

8 § 9352. VERMONT INFORMATION TECHNOLOGY LEADERS

9 (a)(1) Governance. ~~The General Assembly and the Governor shall each~~
10 ~~appoint one representative to the~~ Vermont Information Technology Leaders,
11 Inc. (VITL) Board of Directors shall consist of no fewer than nine nor more
12 than 14 members. The term of each member shall be two years, except that of
13 the members first appointed, approximately one-half shall serve a term of one
14 year and approximately one-half shall serve a term of two years, and members
15 shall continue to hold office until their successors have been duly appointed.

16 The Board of Directors shall comprise the following:

17 (A) one member of the General Assembly, appointed by the Speaker
18 of the House and the President Pro Tempore of the Senate, who shall be
19 entitled to the same per diem compensation and expense reimbursement
20 pursuant to 2 V.S.A. § 406 as provided for attendance at sessions of the
21 General Assembly;

1 (B) one individual appointed by the Governor;

2 (C) one representative of the business community;

3 (D) one representative of health care consumers;

4 (E) one representative of Vermont hospitals;

5 (F) one representative of Vermont physicians;

6 (G) one practicing clinician licensed to practice medicine in

7 Vermont;

8 (H) one representative of a health insurer licensed to do business in

9 Vermont;

10 (I) the President of VITL, who shall be an ex officio, nonvoting

11 member;

12 (J) two individuals familiar with health information technology,

13 at least one of whom shall be the chief technology officer for a health care

14 provider; and

15 (K) two at-large members.

16 (2) Except for the members appointed pursuant to subdivisions (1)(A)

17 and (B) of this subsection, whenever a vacancy on the Board occurs, the

18 members of the Board of Directors then serving shall appoint a new member

19 who shall meet the same criteria as the member he or she replaces.

20 (b) Conflict of interest. In carrying out their responsibilities under this

21 section, Directors of VITL shall be subject to conflict of interest policies

1 established by the Secretary of Administration to ensure that deliberations and
2 decisions are fair and equitable.

3 (c)(1) Health information exchange operation. VITL shall be designated in
4 the Health Information Technology Plan pursuant to section 9351 of this title
5 to operate the exclusive statewide health information exchange network for
6 this State. ~~The~~ After the Green Mountain Care Board approves VITL's core
7 activities and budget pursuant to chapter 220 of this title, the Secretary of
8 Administration or designee shall enter into procurement grant agreements with
9 VITL pursuant to 8 V.S.A. § 4089k. Nothing in this chapter shall impede local
10 community providers from the exchange of electronic medical data.

11 (2) Notwithstanding any provision of 3 V.S.A. § 2222 or 2283b to the
12 contrary, upon request of the Secretary of Administration, the Department of
13 Information and Innovation shall review VITL's technology for security,
14 privacy, and interoperability with State government information technology,
15 consistent with the State's health information technology plan required by
16 section 9351 of this title.

17 * * *

18 * * * Referral Registry * * *

19 **Sec. 15. REFERRAL REGISTRY**

20 **On or before October 1, 2015, the Department of Mental Health and**
21 **the Division of Alcohol and Drug Abuse Programs in the Department of**

1 **Health shall develop jointly a registry of mental health and addiction**
2 **services providers in Vermont, organized by county. The registry shall be**
3 **updated at least annually and shall be made available to primary care**
4 **providers participating in the Blueprint for Health and to the public.**

5 * * * Universal Health Care Coverage * * *

6 Sec. 16. TASK FORCE ON UNIVERSAL COVERAGE; REPORT

7 (a) There is created a Task Force on Universal Coverage to develop a
8 proposal for achieving universal health care coverage in Vermont.

9 (b) The Task Force shall be composed of the following six members:

10 (1) one current member of the House of Representatives, who shall be
11 appointed by the Speaker of the House;

12 (2) one current member of the Senate, who shall be appointed by the
13 Committee on Committees;

14 (3) the Director of Health Care Reform or designee;

15 (4) the Chair of the Green Mountain Care Board or designee;

16 (5) the Commissioner of Vermont Health Access or designee; and

17 (6) a representative from the health insurer with the greatest number of
18 covered lives in Vermont.

19 (c) The Task Force shall consider how to achieve universal health care
20 coverage in Vermont, including:

- 1 (1) how to design and implement a State mandate for all Vermonters to
2 have health care coverage, including:
- 3 (A) how Vermonters would prove that they have satisfied the
4 mandate;
- 5 (B) suitable penalties to enforce the mandate; and
- 6 (C) ways to administer the penalties for failure to satisfy the mandate,
7 such as using the income tax system, wage garnishment, or other means;
- 8 (2) the effect of universal coverage on uncompensated care and the
9 resulting impact on health insurance premiums; and
- 10 (3) creation of an uncompensated care pool or insurance product to pay
11 for health care services delivered to Vermont residents who continue to lack
12 health care coverage despite the mandate.
- 13 (d) On or before December 1, 2015, the Task Force shall submit its
14 proposal for achieving universal coverage to the House Committees on Health
15 Care and on Ways and Means, the Senate Committees on Health and Welfare
16 and on Finance, and the Health Reform Oversight Committee.
- 17 (e) For attendance at meetings during adjournment of the General
18 Assembly, legislative members of the Task Force shall be entitled to per diem
19 compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for
20 no more than six meetings.

1 step in implementing the principles and intent set forth in 2011 Acts and
2 Resolves No. 48, Secs. 1 and 1a.

3 Sec. 19. DEFINITION OF PRIMARY CARE

4 As used in Secs. 17 through 21 of this act, “primary care” means health
5 services provided by health care professionals who are specifically trained for
6 and skilled in first-contact and continuing care for individuals with signs,
7 symptoms, or health concerns, not limited by problem origin, organ system, or
8 diagnosis, and includes pediatrics, internal and family medicine, gynecology,
9 primary mental health services, and other health services commonly provided
10 at federally qualified health centers. Primary care does not include dental
11 services.

12 Sec. 20. COST ESTIMATES FOR UNIVERSAL PRIMARY CARE

13 (a) No later than October 15, 2015, the Joint Fiscal Office, in consultation
14 with the Green Mountain Care Board and the Secretary of Administration or
15 designee, shall provide to the Joint Fiscal Committee, the Health Reform
16 Oversight Committee, the House Committees on Appropriations, on Health
17 Care, and on Ways and Means, and the Senate Committees on Appropriations,
18 on Health and Welfare, and on Finance an estimate of the costs of providing
19 primary care to all Vermont residents, **with and** without cost-sharing by the
20 patient, beginning on January 1, 2017.

1 medical services delivered to Medicaid beneficiaries to determine the basis for
2 the current reimbursement amounts, the rationale for the current level of
3 reimbursement, and shall consider any possible adjustments to revise the
4 methodology in a way that is budget neutral or of minimal fiscal impact to the
5 Agency of Human Services for fiscal year 2016. On or before December 1,
6 2015, the Department shall report its findings and recommendations to the
7 House Committees on Health Care and on Human Services, the Senate
8 Committee on Health and Welfare, and the Health Reform Oversight
9 Committee.

10 * * * Excise Tax on Sugar-Sweetened Beverages * * *

11 Sec. 23. 32 V.S.A. chapter 227 is added to read:

12 CHAPTER 227. SUGAR-SWEETENED BEVERAGE TAX

13 § 9401. DEFINITIONS

14 As used in this chapter:

15 (1) “Beverage for medical use” means a beverage suitable for human
16 consumption and manufactured for use as an oral nutritional therapy for
17 persons who cannot absorb or metabolize dietary nutrients from food or
18 beverages, or for use as an oral rehydration electrolyte solution for infants and
19 children formulated to prevent or treat dehydration due to illness. “Beverage
20 for medical use” shall also mean a “medical food” as defined in Section 5(b)(3)
21 of the Orphan Drug Act at 21 U.S.C. § 360ee(b)(3). “Beverage for medical

1 use” shall not include drinks commonly referred to as “sports drinks” or any
2 other common names that are derivations thereof.

3 (2) “Commissioner” means the Commissioner of Taxes and his or her
4 authorized agents and employees.

5 (3) “Consumer” means a person who purchases or otherwise obtains a
6 sugar-sweetened beverage for consumption and not for sale to another.

7 (4) “Department” means the Vermont Department of Taxes.

8 (5) “Distribution” or “distribute” means the transfer of title or
9 possession from one person to another for consideration, or within a business
10 entity, or between business entities subject to the same ownership or control,
11 such as by a wholesale or warehousing unit to a retail outlet, or between two or
12 more employees or contractors. “Distribution” or “distribute” shall not mean
13 the retail sale to a consumer.

14 (6) “Distributor” means any person, including a manufacturer and a
15 wholesale dealer, who receives, stores, manufactures, bottles, or distributes
16 syrup, powder, or sugar-sweetened beverages for sale to retailers, whether or
17 not that person also sells such products to consumers. “Distributor” also
18 means any person importing or causing to be imported syrup, powder, or
19 sugar-sweetened beverages into the State from outside the State for sale to a
20 retailer or consumer.

1 (7) “Place of business” means any place where syrup, powder, or
2 sugar-sweetened beverages are manufactured or received for sale in the State.

3 (8) “Powder” means any solid mixture of ingredients used in making,
4 mixing, or compounding sugar-sweetened beverages by mixing the powder
5 with any one or more other ingredients, including water, ice, syrup, simple
6 syrup, fruits, vegetables, fruit juice, vegetable juice, or carbonation or
7 other gas.

8 (9) “Retailer” means any person who sells syrup, powder, or
9 sugar-sweetened beverages to consumers in the State.

10 (10) “Sale” means the transfer of title or possession for valuable
11 consideration regardless of the manner by which the transfer is completed.

12 (11) “Sugar-sweetened beverage” means any nonalcoholic beverage,
13 carbonated or noncarbonated, that is intended for human consumption as a
14 beverage and contains any added sweetener. As used in this definition,
15 “nonalcoholic beverage” means any beverage that contains less than one-half
16 of one percent alcohol per volume.

17 (12) “Sweetener” means any caloric substance suitable for human
18 consumption that humans perceive as sweet and includes sucrose, fructose,
19 glucose, other sugars, or fruit juice concentrates but does not include any
20 substance that adds fewer than five calories per reference amount customarily
21 consumed or per labeled serving.

1 (13) “Syrup” means a liquid mixture of ingredients used in making,
2 mixing, or compounding sugar-sweetened beverages using one or more other
3 ingredients, such as water, ice, powder, simple syrup, fruits, vegetables, fruit
4 juice, vegetable juice, or carbonation or other gas.

5 § 9402. TAX IMPOSED

6 (a) There is imposed an excise tax on every distributor of \$0.02 per ounce
7 upon sugar-sweetened beverages sold in the State.

8 (b) There is imposed an excise tax on every distributor of \$0.02 per ounce
9 of syrup and powder sold in the State. For purposes of calculating the tax
10 under this subsection, the taxable volume of syrup or powder shall be equal to
11 the largest volume of sugar-sweetened beverage resulting from use of the syrup
12 or powder according to the manufacturer’s instructions.

13 (c) The amount of tax paid by a distributor shall be added to and collected
14 as part of the retail sale price on the sugar-sweetened beverage, syrup, or
15 powder.

16 § 9403. RETURNS AND REMITTANCES

17 (a) Any distributor liable for the tax imposed by this chapter shall, on or
18 before the 15th day of every month, return to the Commissioner, under oath of
19 a person with legal authority to bind the distributor, a statement containing its
20 name and place of business, the quantity of syrup, powder, and
21 sugar-sweetened beverages subject to the excise tax imposed by this chapter

1 sold in the preceding month, and any other information required by the
2 Commissioner, along with the tax due.

3 (b) All of the revenue from the tax imposed by this chapter shall be
4 deposited in the State Health Care Resources Fund established under 33 V.S.A.
5 § 1901d.

6 § 9404. RECORDS

7 Every distributor shall maintain, for not less than three years, accurate
8 records showing all transactions subject to tax liability under this chapter.
9 Distributors must identify the amount of tax collected as a separate invoice
10 entry on sales to retailers. These records are subject to inspection by the
11 Commissioner at all reasonable times during normal business hours.

12 § 9405. EXEMPTIONS

13 The following shall be exempt from the tax imposed by section 9402 of this
14 chapter:

15 (1) Syrup, powder, or sugar-sweetened beverages sold to the
16 U.S. government, its subdivisions, or under any other circumstances in which
17 the State is without power to impose the tax.

18 (2) Syrup, powder, or sugar-sweetened beverages sold by a distributor
19 for resale or consumption outside the State.

20 (3) Syrup, powder, or sugar-sweetened beverages sold by a distributor to
21 another distributor and not intended for resale to a consumer if the purchasing

1 distributor holds a license issued under section 9406 of this chapter and if the
2 sales invoice clearly indicates that the sale is exempt.

3 (4) Beverages in which milk, or soy, rice, or similar milk substitute, is
4 the primary ingredient or the first listed ingredient on the label of the beverage.

5 (5) Coffee or tea without added sweetener.

6 (6) Infant formula.

7 (7) Beverages for medical use.

8 (8) Water without any sweeteners.

9 (9) Beverages consisting of 100 percent natural fruit or vegetable juice
10 with no added sweetener. As used in this subdivision, “natural fruit juice” and
11 “natural vegetable juice” mean the original liquid resulting from the pressing
12 of fruits or vegetables or the liquid resulting from the dilution of dehydrated
13 natural fruit juice or natural vegetable juice.

14 (10) Maple syrup, as that term is defined in 6 V.S.A. § 481, or beverages
15 sweetened with maple syrup.

16 § 9406. LICENSE REQUIRED

17 Each distributor shall secure a license from the Commissioner before
18 engaging in the business of selling sugar-sweetened beverages in the State.

19 § 9407. APPLICATION FOR AND ISSUANCE OF LICENSE

20 (a) A separate application and license is required for each wholesale outlet
21 when a distributor owns or controls more than one such outlet.

1 (b) Licenses shall be issued by the Commissioner on application, without
2 charge, on forms prescribed by the Commissioner, stating the name and
3 address of the applicant, the address of the place of business, the type of
4 business, and any other information the Commissioner may require for the
5 proper administration of this chapter.

6 § 9408. TERM OF LICENSES

7 Each license issued under the provisions of this chapter shall be valid as
8 long as the licensee continues to do business at the place named, unless the
9 license is revoked or suspended by the Commissioner as provided in section
10 9409 of this chapter. If the business is sold or transferred or if the licensee
11 ceases to do business at the place named, the license shall immediately be
12 returned to the Commissioner for cancellation.

13 § 9409. REVOCATION AND SUSPENSION OF LICENSES

14 The Commissioner may revoke or suspend the license of any licensee for
15 failure to comply with any provision of this chapter or for failure to comply
16 with the provisions of 11 V.S.A. chapter 15.

17 § 9410. PENALTIES

18 (a) Any person subject to the provisions of this chapter who fails to pay the
19 tax imposed by this chapter by the date that payment is due or fails to submit a
20 return as required by this chapter is subject to the provisions of section 3202 of
21 this title (interest and penalties).

1 (b) Any person subject to the provisions of this chapter who sells or offers
2 for sale any syrup, powder, or sugar-sweetened beverages in the State without
3 holding a license as required by this chapter is liable for a penalty of up to
4 \$100.00 for each day such sales are made or offered.

5 § 9411. APPEALS

6 Any person aggrieved by an action taken by the Commissioner under this
7 chapter may appeal in writing to the Commissioner for a review. The
8 Commissioner shall then grant a hearing under 3 V.S.A. chapter 25 and notify
9 the aggrieved person in writing of his or her determination. The
10 Commissioner's determination may be appealed within 30 days to the Superior
11 Court of the county of this State in which the taxpayer resides or has a place of
12 business or to the Superior Court of Washington County.

13 § 9412. BONDING

14 When the Commissioner, in his or her discretion, considers it necessary to
15 protect the revenues raised under this chapter, he or she may require any
16 licensee to file with him or her a bond under the terms of section 3114 of this
17 title.

18 § 9413. RULES AND REGULATIONS

19 The Commissioner is authorized to adopt rules and procedures to
20 accomplish the purposes of this chapter.

1 chapter, and, in the case of a return filed with respect to a fractional part of a
2 year, the period with respect to which the return is filed.

3 (5) “Taxpayer” means a person obligated to file a return with or pay or
4 remit any amount to this State under this chapter.

5 (6) “Wages” means wages as defined in 26 U.S.C. § 3121(a) of the
6 Internal Revenue Code.

7 § 10602. PAYROLL TAX

8 (a) There is imposed on every employer for each calendar year a tax in an
9 amount equal to 0.3 percent of all wages paid by the employer.

10 (b) Revenues collected under this chapter shall be deposited into the State
11 Health Care Resources Fund established under 33 V.S.A. § 1901d.

12 § 10603. PAYMENT OF ESTIMATED PAYROLL TAX

13 (a) Every employer shall make payments of the employer’s tax liability
14 under this section on the same filing frequency as the employer is required to
15 pay withholding taxes to the Commissioner under section 5842 of this title.

16 (b) The Commissioner shall establish schedules or formulae as will result
17 in payments that closely approximate the payroll tax liabilities of the
18 employers for that year under this chapter.

19 (c) Every person required to deduct and withhold any amount under this
20 section shall make return thereof and shall pay over that amount to the
21 Commissioner in accordance with section 5842 of this title; provided however,

1 that a return reconciling the payments made during the preceding calendar
2 quarter shall be filed on the 25th day of the month following the end of the
3 quarter.

4 § 10604. ADMINISTRATION OF TAX

5 All of the administrative provisions of chapter 151 of this title, including
6 those relating to the collection and enforcement by the Commissioner of the
7 withholding tax and the income tax, shall apply to the tax imposed by this
8 chapter. In addition, the provisions of chapter 103 of this title, including those
9 relating to the imposition of interest and penalty for failure to pay the tax as
10 provided in section 10602 of this title, shall apply to the tax imposed by this
11 chapter.

12 § 10605. INCLUSION OF COST OF EMPLOYER-SPONSORED HEALTH
13 COVERAGE ON W-2

14 Every person who is required under chapter 151, subchapter 4 of this title to
15 withhold income taxes from payments of income, except for the government of
16 the United States, shall provide the aggregate cost of applicable
17 employer-sponsored coverage required under 26 U.S.C. § 6051(a)(14)
18 regardless of the number of W-2 forms filed.

19 * * * State Health Care Resources Fund * * *

20 Sec. 26. 33 V.S.A. § 1901d(b) is amended to read:

21 (b) Into the Fund shall be deposited:

