

February 4, 2015 Testimony to House Ways & Means Committee—Put Blodgett, Chair, Current Use Tax Coalition (18 organizations concerned with Current Use)

The Coalition met the afternoon of January 30, 2015 in the State House Cafeteria. After lengthy discussion, the majority voted in favor of a position similar to one recently voted by the board of the Vermont League of Cities and Towns, one of the Current Use Tax Coalition members.

The League voted “To oppose the governor’s proposals concerning the current use plan of taxing farm buildings at 30 percent of fair market value and putting a moratorium on new applications to the program for three years. Instead, the board supported replacing those proposals in the miscellaneous tax bill with last year’s House-passed version of H.329. That bill would increase the penalties for withdrawing land from the program and would have towns keep one-half the revenue from such penalties in exchange for taking on more administrative duties under the program.”

The Coalition voted unanimously against the 30% increase on farm buildings and the three-year moratorium. The moratorium would set back the program without solving any of its problems and is unfair to those contemplating enrolling or already in the process with expenditures on management plans.

In one major difference from H.329, the CUTC voted for a Land Use Change Tax of 10% of the Fair Market Value of the withdrawn parcel (a return to the original 1978 UVA bill and the same as in H.485 that passed both the House and Senate, but sustained Governor Douglas’ sole veto of 2010). This would eliminate the more complicated number of years in the program and accompanying tiered system. Several organizations voted in favor of the above. There were no “no” votes. Some organizations abstained as members had to be consulted before taking a position.

All Easy-Out receipts are to be applied against the budget deficit. Current Use ag values jumped \$10 per acre this year and forestland \$13. This addition to the state Grand List will result in more revenue to the state from the UVA program.

And it is very important that the introductory clause “After providing 30 days notice to the owner” precede the section mandating that the Commissioner remove a forest landowner from UVA who has failed to file a forest activity management report. Small landowners may only harvest every 12-20 years and to expect them to remember to file a February 1 report the following year is unreasonable. Removing them from the program is harsh and punitive.

Does the section of H.329 dealing with the issuance of a wastewater system permit still mean the possible removal from the program? If not, it should be removed.

The CUTC feels the amended H.329 should be a part of the Miscellaneous Tax Bill and follow Bill Clinton’s KISS philosophy—Keep It Simple, Stupid!