

1 Introduced by Committee on Ways and Means

2 Date:

3 **DRAFT: ADMINISTRATION PROPOSALS -- NON REVENUE**

4 Statement of purpose of bill as introduced: This bill proposes to make  
5 miscellaneous changes to Vermont's tax laws.

6 An act relating to miscellaneous tax changes

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

8 \* \* \* Administrative Provisions \* \* \*

9 Sec. 1. 7 V.S.A. § 302 is amended to read:

10 § 302. APPLICATION

11 Application for such certificate of approval shall be made upon a form  
12 prescribed and furnished by the ~~liquor control board~~ Liquor Control Board,  
13 containing agreements to comply with the regulations of the ~~board and to file~~  
14 ~~with the commissioner of taxes, on or before the 20th day of each month, a~~  
15 ~~report under oath, on a form prescribed and furnished by the commissioner of~~  
16 ~~taxes, showing the quantity of malt or vinous beverages sold or delivered by~~  
17 ~~such manufacturer or distributor during the preceding calendar month to each~~  
18 ~~holder of such bottler's or wholesale dealer's license, Board and containing~~  
19 such further information as the ~~board~~ Board may deem necessary.



1           (C) Hard copy or nondigital format orthophotographic imagery  
2           created under this section shall be available for public review at the State  
3           Archives.

4           Sec. 3. 10 V.S.A. § 6608(c) is amended to read:

5           (c) Information obtained by the Secretary under this section shall be  
6           available to the public, unless the Secretary certifies such information as being  
7           proprietary. The Secretary may make such certification where any person  
8           shows, to the satisfaction of the Secretary, that the information, or parts  
9           thereof, would divulge methods or processes entitled to protection as trade  
10          secrets. Nothing in this section shall be construed as limiting the disclosure of  
11          information by the Secretary to office employees as authorized representatives  
12          of the State concerned with implementing the provisions of this chapter or to  
13          the Department of Taxes for purposes of enforcing the solid waste tax imposed  
14          by 32 V.S.A. chapter 151, subchapter 13.

15          Sec. 4. 24 V.S.A. § 1173 is amended to read:

16          § 1173. TOWN OR VILLAGE REPORTS

17                 The clerk of a municipality shall supply annually each library in such  
18          municipality with two copies of the municipal report, upon its publication.

19          The clerk shall also send to the State Library two copies thereof, and one copy  
20          each to the Secretary of State, ~~Commissioner of Taxes~~, State Board of Health,  
21          Commissioner for Children and Families, Commissioner of Vermont Health

1 Access, Auditor of Accounts, and Board of Education. Officers making these  
2 reports shall supply the clerk of the municipality with the printed copies  
3 necessary for him or her to comply with the provisions of this section and  
4 section 1174 of this title.

5 Sec. 5. 32 V.S.A. § 3436(a) is amended to read:

6 (a) The Director shall ~~provide an~~ certify assessment education ~~program~~  
7 programs for municipal listers and assessors at convenient times and places  
8 during the year and is authorized to contract with one or more persons to  
9 provide part or all of the assessment instruction. ~~On an annual basis, the~~  
10 ~~Director shall provide, to the extent allowed by available resources,~~ Certified  
11 programs may include instruction in lister duties, property inspection, data  
12 collection, valuation methods, mass appraisal techniques, ~~and~~ property tax  
13 administration, or such other subjects as the director deems beneficial to listers  
14 and may be presented by Property Valuation and Review or a person pursuant  
15 to a contract with Property Valuation and Review, the International  
16 Association of Assessing Officials, the Vermont Assessors and Listers  
17 Association, or the Vermont League of Cities and Towns.

18 **[Removed cross reference correction]**

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\* \* \* Current Use \* \* \*

Sec. 6. 32 V.S.A. § 3757(f) is amended to read:

(f) ~~The~~ Once the application for use value appraisal of agricultural and forestland, ~~once has been~~ approved by the State, the State shall ~~be recorded~~ record a lien against the enrolled land in the land records of the municipality ~~and~~ which shall constitute a lien to secure payment of the land use change tax to the State upon development. The landowner shall bear the recording cost. The land use change tax and any obligation to repay benefits paid in error shall not constitute a personal debt of the person liable to pay the same, but shall constitute a lien which shall run with the land. All of the administrative provisions of chapter 151 of this title, including those relating to collection and enforcement, shall apply to the land use change tax.

\* \* \* Statewide Education Tax \* \* \*

Sec. 7. 32 V.S.A. § 5401(7) is amended to read:

(7) “Homestead”:

(A) “Homestead” means the principal dwelling and parcel of land surrounding the dwelling, owned and occupied by a resident individual on April 1 ~~and occupied~~ as the individual’s domicile ~~for a minimum of~~ or owned and fully leased on April 1 provided the property is not leased for more than 183 days out of the calendar year, or for purposes of the renter property tax

1 adjustment under subsection 6066(b) of this title, rented and occupied by a  
2 resident individual as the individual's domicile.

3 Sec. 8. 32 V.S.A. § 5401(10) is amended to read:

4 (10) "Nonresidential property" means all property except:

5 \* \* \*

6 (F) Property owned by a municipality which is located within that  
7 municipality and which is used for municipal purposes, including the provision  
8 of utility services and including off-street parking garages built, owned, and  
9 managed by a municipality in a designated center as defined in 10 V.S.A.  
10 § 6001(30). For the purpose of this section, public use of a municipal garage  
11 may include the leasing of the garage to multiple commercial tenants for part  
12 of the day, provided that substantially all of the garage parking spaces are open  
13 to the general public during evenings and weekends.

14 \* \* \*

15 Sec. 9. 32 V.S.A. § 5404a(a)(6) is amended to read:

16 (6) An exemption of a portion of the value of a qualified rental unit  
17 parcel. An owner of a qualified rental unit parcel shall be entitled to an  
18 exemption on the education property tax grand list of 10 percent of the grand  
19 list value of the parcel, multiplied by the ratio of square footage of  
20 improvements used for or related to residential rental purposes to total square  
21 footage of all improvements, multiplied by the ratio of qualified rental units to

1 total residential rental units on the parcel. “Qualified rental units” means  
2 residential rental units which are subject to rent restriction under provisions of  
3 state or federal law, but excluding units subject to rent restrictions under only  
4 one of the following programs: Section 8 moderate rehabilitation, Section 8  
5 housing choice vouchers, or Section 236 or Section 515 rural development  
6 rental housing. A municipality shall allow the percentage exemption under  
7 this subsection upon presentation by the taxpayer to the municipality, by  
8 April 1, of a certificate of education grand list value exemption, obtained from  
9 the Vermont Housing Finance Agency (VHFA). VHFA shall issue a certificate  
10 of exemption upon presentation by the taxpayer of information which VHFA  
11 and the Commissioner shall require. An exemption granted by a municipality  
12 under this subsection shall expire upon transfer of the building, upon  
13 expiration of the rent restriction, or after 10 years, whichever first occurs. This  
14 exemption may be renewed once by the legislative body of a municipality for  
15 an additional ten years.

16 **\*\*\* Tax Increment Financing Districts \*\*\***

17 Sec. 10. 24 V.S.A. § 1901(3) is amended to read:

18 (3) Annually:

19 (A) ensure that the tax increment financing district account required  
20 by section 1896 of this subchapter is subject to the annual audit prescribed in  
21 ~~section~~ sections 1681 and 1690 of this title. Procedures must include

1 verification of the original taxable value and annual and total municipal and  
2 education tax increments generated, expenditures for debt and related costs,  
3 and current balance;

4 (B) on or before ~~January 15~~ February 15 of each year, on a form  
5 prescribed by the Council, submit an annual report to the Vermont Economic  
6 Progress Council and the Department of Taxes, including the information  
7 required by subdivision (2) of this section if not already submitted during the  
8 year, all information required by subdivision (A) of this subdivision (3), and  
9 the information required by 32 V.S.A. § 5404a(i), including performance  
10 indicators and any other information required by the Council or the  
11 Department of Taxes.

12 Sec. 11. 24 V.S.A. § 1896(c) is amended to read:

13 (c) Notwithstanding any charter provision or other provision, all property  
14 taxes assessed within a district shall be subject to the provision of subsection  
15 (a) of this section. Special assessments levied under chapter 87 of this title, the  
16 proceeds of which are dedicated to a specific bond or pledge for the repayment  
17 of a specific borrowing and are apportioned based on any method other than  
18 the grand list value of the affected properties shall not be considered property  
19 taxes for the purpose of this section.

20 **[Removed section requiring report of income changes for property tax**  
21 **adjustment claims]**





1 required annual payment. For any taxable year, payments shall be made on or  
2 before April 15, June 15, and September 15 of the taxable year and January 15  
3 of the following taxable year. In applying this section to a taxable year  
4 beginning on any date other than January 1, there shall be substituted, for the  
5 months specified in this section, the months which correspond thereto.

6 \* \* \* Downtown Tax Credits \* \* \*

7 Sec. 15. 32 V.S.A. § 5930aa(3) is amended to read:

8 (3) “Qualified code or technology improvement project” means a  
9 project:

10 (A)(i) to install or improve platform lifts suitable for transporting  
11 personal mobility devices, limited use limited application elevators, elevators,  
12 sprinkler systems, and capital improvements in a qualified building, and the  
13 installations or improvements are required to bring the building into  
14 compliance with the statutory requirements and rules regarding fire prevention,  
15 life safety, and electrical, plumbing, and accessibility codes as determined by  
16 the Department of Public Safety; or

17 \* \* \*

18 Sec. 16. 32 V.S.A. § 5930cc(c) is amended to read:

19 (c) Code or technology improvement tax credit. The qualified applicant of  
20 a qualified code or technology improvement project shall be entitled, upon the  
21 approval of the State Board, to claim against the taxpayer’s State individual

1 income tax, State corporate income tax, or bank franchise or insurance  
2 premiums tax liability a credit of 50 percent of qualified expenditures up to a  
3 maximum tax credit of \$12,000.00 for installation or improvement of a  
4 platform lift, a maximum credit of \$40,000.00 for the installation or  
5 improvement of a limited use limited application elevator, a maximum tax  
6 credit of \$50,000.00 for installation or improvement of an elevator, a  
7 maximum tax credit of \$50,000.00 for installation or improvement of a  
8 sprinkler system, a maximum tax credit of \$30,000.00 for the combined costs  
9 of installation or improvement of data or network wiring or a heating,  
10 ventilating, or cooling system, and a maximum tax credit of **\$25,000.00**  
11 **\$50,000.00** for the combined costs of all other qualified code improvements.

12 \* \* \* Cigarette and Tobacco Taxes \* \* \*

13 Sec. 17. 32 V.S.A. § 7734 is amended to read:

14 § 7734. PENALTIES FOR SALES WITHOUT LICENSE

15 Any licensed wholesale dealer who shall sell, offer for sale, or possess with  
16 intent to sell any cigarettes, roll-your-own tobacco, little cigars, snuff, new  
17 smokeless tobacco, or other tobacco products, or ~~both~~ any combination thereof,  
18 without having first obtained a license as provided in this subchapter shall be  
19 fined not more than \$25.00 for the first offense and not more than \$200.00 nor  
20 less than \$25.00 for each subsequent offense.

1       Sec. 18. 32 V.S.A. § 7771(b) is amended to read:

2           (b) Payment of the tax on cigarettes under this section shall be evidenced  
3       by the affixing of stamps to the packages containing the cigarettes. Where  
4       practicable, the Commissioner may also require that stamps be affixed to  
5       packages containing little cigars or roll-your-own tobacco. Any cigarette, little  
6       cigar, or roll-your-own tobacco on which the tax imposed by this section has  
7       been paid, such payment being evidenced by the affixing of such stamp or such  
8       evidence as the Commissioner may require, shall not be subject to a further tax  
9       under this chapter. Nothing contained in this chapter shall be construed to  
10      impose a tax on any transaction the taxation of which by this State is  
11      prohibited by the constitution of the United States. The amount of taxes  
12      advanced and paid by a licensed wholesale dealer ~~or a retail dealer~~ as herein  
13      provided shall be added to and collected as part of the retail sale price on the  
14      cigarettes, little cigars, or roll-your-own tobacco.

15      Sec. 19. 32 V.S.A. § 7772 is amended to read:

16      § 7772. FORM AND SALE OF STAMPS

17           (a) The Commissioner shall secure stamps of such designs and  
18      denominations as he or she shall prescribe to be affixed to packages of  
19      cigarettes as evidence of the payment to the tax imposed by this chapter. The  
20      Commissioner shall sell such stamps to licensed wholesale dealers ~~and retail~~

1 ~~dealers~~ at a discount of two and three-tenths percent of their face value for  
2 payment at time of sale.

3 (b) At the purchaser's request, the Commissioner may sell stamps to be  
4 affixed to packages of cigarettes as evidence of the payment to the tax imposed  
5 by this chapter to licensed wholesale dealers ~~and retail dealers~~ for payment  
6 within 10 days, at a discount of one and five-tenths percent of their face value  
7 if timely paid. In determining whether to sell stamps for payment within  
8 10 days, the Commissioner shall consider the credit history of the dealer; and  
9 the filing and payment history, with respect to any tax administered by the  
10 Commissioner, of the dealer or any individual, corporation, partnership, or  
11 other legal entity with which the dealer is or was associated as principal,  
12 partner, officer, director, employee, agent, or incorporator.

13 (c) The Commissioner shall keep accurate records of all stamps sold to  
14 each wholesale dealer ~~and retail dealer~~, and shall pay over all receipts from the  
15 sale of stamps to the ~~state treasurer~~ State Treasurer.

16 Sec. 20. 32 V.S.A. § 7773 is amended to read:

17 § 7773. USE AND REDEMPTION OF STAMPS

18 No licensed wholesale dealer ~~or retail dealer~~ shall sell or transfer any  
19 stamps issued under the provisions of this chapter. The Commissioner shall  
20 redeem at the amount paid therefor by the licensed wholesale or retail dealer

1 any unused stamps issued under the provisions of this chapter, which are  
2 presented to him or her at his or her office in Montpelier.

3 Sec. 21. 32 V.S.A. § 7775 is amended to read:

4 § 7775. ~~RETAILERS~~ RETAIL DEALERS

5 Within 24 hours after coming into possession of any cigarettes not bearing  
6 proper stamps evidencing payment of the tax imposed by this chapter and  
7 before selling the same, each retail dealer shall affix or cause to be affixed  
8 stamps of the proper denomination to each individual package of cigarettes as  
9 required by section 7771 of this title and in such manner as the Commissioner  
10 may specify in regulations issued pursuant to this chapter.

11 Sec. 22. 32 V.S.A. § 7777 is amended to read:

12 § 7777. RECORDS REQUIRED; INSPECTION AND EXAMINATION;  
13 ASSESSMENT OF TAX DEFICIENCY

14 \* \* \*

15 (d) If a licensed wholesale dealer ~~or retail dealer~~ has failed to timely pay  
16 for stamps obtained for payment within 10 days or to pay the tax imposed on  
17 roll-your-own tobacco, the dealer shall be subject to assessment, collection,  
18 and enforcement in the same manner as provided under subchapter 4 of this  
19 chapter.

20 \* \* \*

1 Sec. 23. 32 V.S.A. § 7812 is amended to read:

2 § 7812. LIABILITY FOR COLLECTION OF TAX

3 The ~~distributor~~ licensed wholesale dealer shall be liable for the payment of  
4 the tax on tobacco products which he or she imports or causes to be imported  
5 into the State, or which he or she manufactures in this State, and every  
6 ~~distributor~~ licensed wholesale dealer authorized by the Commissioner to make  
7 returns and pay the tax on tobacco products sold, shipped, or delivered by him  
8 or her to any person in the State, shall be liable for the collection and payment  
9 of the tax on all tobacco products sold, shipped or delivered. Every retail  
10 dealer shall be liable for the collection of the tax on all tobacco products in his  
11 or her possession at any time, upon which the tax has not been paid by a  
12 ~~distributor~~ licensed wholesale dealer and the failure of any retail dealer to  
13 produce and exhibit to the Commissioner or his or her authorized  
14 representative, upon demand, an invoice by a ~~distributor~~ licensed wholesale  
15 dealer for any tobacco products in his or her possession, shall be presumptive  
16 evidence that the tax thereon has not been paid and that such retail dealer is  
17 liable for the collection of the tax thereon. The amount of taxes advanced and  
18 paid by a ~~distributor~~ licensed wholesale dealer or retail dealer as hereinabove  
19 provided shall be added and collected as part of the sales price of the tobacco  
20 products.

1 Sec. 24. 32 V.S.A. § 7813 is amended to read:

2 § 7813. RETURNS AND PAYMENT OF TAX BY ~~DISTRIBUTOR~~

3 LICENSED WHOLESALE DEALER

4 Every ~~distributor~~ licensed wholesale dealer shall, on or before the 15th day  
5 of each month, file with the Commissioner a return on forms to be prescribed  
6 and furnished by the Commissioner, showing the quantity and wholesale price  
7 of all tobacco products sold, shipped or delivered by him or her to any person  
8 in the State during the preceding calendar month. Such returns shall contain  
9 such further information as the Commissioner of Taxes may require. Every  
10 ~~distributor~~ licensed wholesale dealer shall pay to the Commissioner with the  
11 filing of such return, the tax on tobacco products for such month imposed  
12 under this subchapter. When the ~~distributor~~ licensed wholesale dealer files  
13 the return and pays the tax within the time specified in this section, he or she  
14 may deduct therefrom two percent of the tax due.

15 Sec. 25. 32 V.S.A. § 7819 is amended to read:

16 § 7819. REFUNDS

17 Whenever any tobacco products upon which the tax has been paid have  
18 been sold and shipped into another state for sale or use there, or have become  
19 unfit for use and consumption or unsalable or have been destroyed, the  
20 licensed wholesale dealer shall be entitled to a refund of the actual amount of  
21 tax paid with respect thereto. If the Commissioner is satisfied that any licensed



1 wholesale dealer is entitled to a refund, he or she shall so certify to the  
2 Commissioner of Finance and Management who shall issue his or her warrant  
3 in favor of the licensed wholesale dealer entitled to receive such refund.

4 Sec. 26. 32 V.S.A. § 7821 is amended to read:

5 § 7821. CRIMINAL PENALTIES

6 Any ~~distributor or dealer~~ person who shall fail, neglect, or refuse to comply  
7 with or shall violate the provisions of this chapter relating to the tax on tobacco  
8 products or the rules and regulations ~~promulgated~~ adopted by the  
9 Commissioner under this chapter relating to such tax shall be guilty of a  
10 misdemeanor and upon conviction for a first offense shall be sentenced to pay  
11 a fine of not more than \$250.00 or to be imprisoned for not more than 60 days,  
12 or both such fine and imprisonment in the discretion of the Court; and for a  
13 second or subsequent offense shall be sentenced to pay a fine of not less than  
14 \$250.00 nor more than \$500.00, or be imprisoned for not more than six  
15 months, or both such fine and imprisonment in the discretion of the Court.

16 This section shall not apply to violations of sections 7731-7734 and 7776 of  
17 this title.

18 Sec. 27. 33 V.S.A. § 1916 is amended to read:

19 §1916. DEFINITIONS

20 As used in this subchapter:

21 \* \* \*



1 product manufacturer for any money paid by the ~~stamping agent~~ licensed  
2 wholesale dealer to the tobacco product manufacturer for any cigarettes of that  
3 tobacco product manufacturer still in the possession of the ~~stamping agent~~  
4 licensed wholesale dealer on the date of the Attorney General's removal from  
5 the directory of that tobacco product manufacturer or the individual styles or  
6 brands of cigarettes of that tobacco product manufacturer. Also, unless  
7 otherwise provided by agreement between a retail dealer and a ~~distributor~~  
8 licensed wholesale dealer or a tobacco product manufacturer, a retail dealer  
9 shall be entitled to a refund from either a ~~distributor~~ licensed wholesale dealer  
10 or a tobacco product manufacturer for any money paid by the retail dealer to  
11 the ~~distributor~~ licensed wholesale dealer or tobacco product manufacturer for  
12 any cigarettes of that ~~distributor~~ licensed wholesale dealer or tobacco product  
13 manufacturer still in the possession of the retail dealer on the date of the  
14 Attorney General's removal from the directory of that tobacco product  
15 manufacturer or the individual styles or brands of cigarettes of that tobacco  
16 product manufacturer. The Attorney General shall not restore to the directory  
17 a tobacco product manufacturer or any individual styles or brands or cigarettes  
18 or, if applicable, brand families of that tobacco product manufacturer until the  
19 tobacco product manufacturer has paid all ~~stamping agents~~ licensed wholesale  
20 dealers any refund due pursuant to this section.

1 (d) The Commissioner shall refund to a ~~retailer dealer or stamping agent~~  
2 licensed wholesale dealer any tax paid under 32 V.S.A. chapter 205 on  
3 products no longer saleable in the State under this subchapter.

4 Sec. 30. 33 V.S.A. § 1921 is amended to read:

5 § 1921. REPORTING AND SHARING OF INFORMATION

6 (a) At the date specified in 32 V.S.A. § 7785 or 7813, for monthly reports  
7 from licensed wholesale dealers ~~or distributors~~, or at such date and frequency  
8 as the Commissioner may require for other stamping agents, which will be at  
9 least quarterly, each ~~stamping agent~~ licensed wholesale dealer shall submit  
10 such information as the Commissioner requires to facilitate compliance with  
11 subchapter 1A of this chapter and this subchapter, including a list by brand  
12 family of the total number of cigarettes, or, in the case of roll-your-own  
13 tobacco, the equivalent stick count, as determined pursuant to the formula set  
14 forth in subchapter 1A of this chapter, for which the ~~stamping agent~~ licensed  
15 wholesale dealer affixed stamps during the reporting period or otherwise paid  
16 the tax due for such cigarettes. ~~Stamping agents~~ Licensed wholesale dealers  
17 shall maintain, and make available to the Commissioner, all documentation  
18 and other information relied upon in reporting to the Commissioner for a  
19 period of six years.

20 \* \* \*

1 (c) The Attorney General may require a ~~stamping agent~~ licensed wholesale  
2 dealer or tobacco product manufacturer to submit any additional information,  
3 including samples of the packaging or labeling of each brand family, as is  
4 necessary to enable the Attorney General to determine whether a tobacco  
5 product manufacturer is in compliance with this subchapter and subchapter 1A  
6 of this chapter.

7 \* \* \*

8 \* \* \* Corporation Taxes \* \* \*

9 Sec. 31. 32 V.S.A. § 8146 is amended to read:

10 § 8146. ADDITIONAL TAX; REFUNDS

11 When the Commissioner finds that owing to the incorrectness of a return or  
12 any other cause, a tax paid pursuant to this chapter is too small, he or she shall  
13 assess an additional tax sufficient to cover the deficit and shall forthwith notify  
14 the parties so assessed. ~~If the additional assessment is not paid within 30 days~~  
15 ~~after such notice, the person or corporation against whom it is assessed shall be~~  
16 ~~liable to the same penalties as for neglect to pay annual or semiannual taxes.~~  
17 The administrative provisions of chapter 103 and 151 shall apply to  
18 assessments and refund claims under this chapter, including those provisions  
19 governing interest and penalty, appeals, and collection of assessments.



