

**SECTION BY SECTION SUMMARY
ADMINISTRATION'S MISCELLANEOUS TAX PROPOSALS
Draft 1.1 -- Non-revenue provisions
Legislative Council, 1/22/15**

Section		Review
	Administrative Provisions	
1	Eliminates the requirement that manufacturers and distributors of malt or vinuous beverages report to the Tax Department on sales they make to wholesalers. The Department uses reports of distributor-to-retailer sales, but does not need or use this report of manufacturer-to-wholesaler sales.	
2 & 35(1)	Repeals the administrative responsibilities of Property Valuation and Review in connection with property mapping and transfers those functions directly to Vermont Center for Geographic Information (VCGI).	
3	Allows the Secretary of Natural Resources to share proprietary information obtained in the course of regulating solid waste with the Department of Taxes for purposes of enforcing the solid waste tax.	
4	Removes the Commissioner of Taxes from the statutory distribution list for Municipal Annual Reports.	
5	Allows the Director of Property Valuation and Review to certify courses presented by the International Association of Assessing Officials, the Vermont Assessors and Listers Association, and the Vermont League of Cities and Towns, in addition to those taught by PVR, for lister training.	
6	Corrects statutory citations to reflect current location of railroad corporation taxes.	
	Current Use	
7	Technical change to reflect that the current use application itself is not filed at the land records as the lien, but rather the lien is filed after the application has been approved.	
	Statewide Education Tax, Tax Increment Financing Districts, Income Sensitivity	
8	Clarifies an amendment made last session to allow a homeowner whose home is leased out on April 1 to nevertheless declare it as homestead property provided the property is owned on April 1 and is not leased for more than 183 days out of the calendar year.	
9	Municipal property is exempt from the statewide education tax under current law. This change expands the exemption of municipal property to include parking garages that are built, owned, and managed by a municipality in a designated center, even if some of the spaces are leased to	

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	commercial businesses.	
10	Currently qualified rental units, such as Section 8 housing and Section 515 rural housing, are entitled to an exemption from the statewide education property tax exemption of 10% of the property value. VHFA issues exemption certificates to taxpayers/owners of the property who present them to the town. The exemption expires after 10 years. This section would allow a municipality to renew the exemption for an additional 10 years.	
11	Technical change to TIF statutes. Amendment to (3)(A) clarifies that this reporting requirement applies to municipalities that use certified or public accountants to audit town accounts as well as to audits performed in house. The date change will allow PVR and VEPC to use data reported to PVR in January in the annual report forms sent to municipalities, and save municipalities from having to re-enter same data on additional report.	
12	Allows TIF to keep special assessments out of the tax increment which has the effect of decreasing the amount that would otherwise go to the Education Fund.	
13	Requires property tax adjustment claimant to notify the Tax Department if the claimant becomes aware of changes to income within 3 years of filing a claim. This is parallel to the income tax notice requirement.	
Income Taxes		
14	Annual update of the income tax link to the Internal Revenue Code.	
15	Requires payment of withholding tax on a semiweekly basis if the taxpayer is a semiweekly filer for federal withholding. Under current law, semiweekly filing status is triggered by a dollar amount.	
16	Requires trusts and estates to make estimated payments of income tax liability in the same manner as individuals.	
Downtown Tax Credits		
17	Expands credit for “qualified code of technology improvement project” to apply to limited use limited application elevators.	
18	Limits the new elevator credit to \$40,000.	
Cigarette Taxes		
19-32	These sections amend tobacco and cigarette statutes in Titles 32 and 33 to conform to Act 14 of 2013, which made definitional changes, eliminated redundant terms, and made numerous other technical changes to the cigarette and tobacco tax statutes, and required certain nonparticipating manufacturers to post bond. These amendments are all in	

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	the nature of housekeeping changes.	
	Corporation Taxes	
33	Incorporates the administrative provisions of chapters 103 (administration) and 151 (income tax), including interest and penalty, appeal, and collection provisions into Chapter 211 which imposes various franchise taxes, including insurance and telephone taxes.	
	Meals and Rooms Tax	
34	Provides that interest paid on a meals and rooms tax refund shall begin to run from 45 days after the refund request was made. This conforms to the calculation of both income tax and sales tax refunds.	
	Repeals	
35	Repeals statute outlining responsibility of PVR for mapping. Repeals obsolete cross-reference in statute.	
	Effective Dates	
36	Effective Dates.	