

* * * Low-value Highway Easements; Property Transfer Return Exemption * * *

Sec. xx. 32 V.S.A. § 9606(d) is amended to read:

(d) The property transfer tax return shall not be required of properties qualified for the exemption stated in subdivision 9603(17) of this title or qualified for the exemption stated in subdivision 9603(2) of this title when the transfer is for a highway easement and the transfer is for \$xxx or less. ~~A public utility~~ An entity acquiring such properties shall notify the listers of a municipality of the grantors, grantees, consideration, date of execution, and location of the easement when it files for recording a deed transferring a utility line or highway easement that does not require a transfer tax return.

Current Condition:

- *The State of Vermont is exempt from the property transfer tax being imposed per 32 V.S.A § 9603(2).*
- *VTrans Right of Way staff produces a Property Transfer Return (PTR) form for every deed that is recorded in the land records.*

Proposed Changes:

- *References existing tax exemption for transfers to the State and municipalities (i.e., no impact on revenues because such transfers already are exempt from the property transfer tax).*
- *If dollar cap is set at \$500 (the same as the present exemption for low-value transfers to utilities), approximately 14% of property transfers to VTrans (and cooperating municipalities) will be exempt from need to file return. If cap is set at \$1,000, approximately 35% of property transfers will be exempt from need to file return. If cap is set at \$5,000, approximately 70% of property transfers will be exempt from need to file return.*
- *As with public utilities, VTrans (and cooperating municipalities) still will have to provide listers with information about exempt transactions.*