

* * * Tax Record Confidentiality * * *

Sec. 1. 32 VSA § 3102(e) is amended to read:

(e) The Commissioner may, in his or her discretion and subject to such conditions and requirements as he or she may provide, including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

* * *

(3) To any officer, employee, or agent of any other state or Vermont municipality that administers its own local option sales tax or meals and rooms tax or gross receipts tax under its charter, provided that the information will be used by that state or municipality for tax administration and that state or municipality grants substantially similar disclosure privileges to this State and provides for the secrecy of records in terms substantially similar to those provided by this section.

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(17) To the Department of Financial Regulation, if such return or return information relates to the tax on premiums of captive insurance companies contained in chapter 141 of title 8.

(18) To the Vermont Student Assistance Corporation if such return or return information is necessary to verify eligibility for the matching allocation required by 16 V.S.A. § 2880d(c).

* * * Tax Administration * * *

Sec. 2. 32 V.S.A. § 3208 is amended to read:

§ 3208. ADMINISTRATIVE GARNISHMENT

(a) Notwithstanding other statutes which provide for levy or execution, trustee process, or attachment, the Commissioner may garnish a taxpayer's earnings pursuant to this section to

satisfy amounts collectible by the Commissioner under this title, subject to the exemptions provided in 12 V.S.A. § 3170(a) and (b)(1).

* * *

(e) If, after 15 days, the taxpayer has not petitioned for a hearing, a notice of garnishment shall direct an employer to transmit a specified portion of the taxpayer's disposable earnings to the Commissioner from each periodic payment that is due to the taxpayer until the taxpayer's obligation is paid in full. The notice shall identify the taxpayer by Social Security number. An employer is immune from any liability due to compliance with the Commissioner's notice of garnishment.

* * * Current Use * * *

Sec. 3. 32 V.S.A. § 3754(b) is amended to read:

(b) Annually ~~in August~~ by October 15, the Board shall hold a public hearing and such other hearings as they deem necessary to receive public testimony on the criteria and values for use value appraisals in the coming tax year and on the administration of this subchapter.

Sec. 4. 32 V.S.A. § 3755 is amended to read:

§ 3755. ELIGIBILITY FOR USE VALUE APPRAISALS

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(f) On or before September 1 of each year the owner of agricultural land or buildings enrolled in the use value program as agricultural land or buildings shall certify in writing under oath to the Commissioner that the agricultural land or buildings enrolled by that owner continue to meet the requirements for enrollment in the use value program at the time of the certification. The form of the certification shall be made on a form specified by the Director of Property Valuation and Review.

Sec. 5. 32 V.S.A. § 3757(d) is amended to read:

(d) The land use change tax shall be due and payable by the owner 30 days after the tax notice is mailed to the taxpayer. The tax shall be paid to the Commissioner who shall remit to the municipality the lesser of one-half the tax paid or \$2,000.00. The Director shall deposit three-quarters of the remainder of the tax paid in the Education Fund, and one-quarter of the remainder of the tax paid in the General Fund. The Commissioner shall issue a form to the assessing officials which shall provide for a description of the land developed, the amount of tax payable, and the fair market value of the land at the time of development or withdrawal from use value appraisal. The owner shall fill out the form and shall sign it under the penalty of perjury. After receipt of ~~payment~~ the completed and signed form, the Commissioner shall furnish the owner with one copy, shall retain one copy, and shall forward one copy to the local assessing officials, one copy to the register of deeds of the municipality in which the land is located, and one copy to the Secretary of Agriculture, Food and Markets if the land is agricultural land and in all other cases to the Commissioner of Forests, Parks and Recreation.

* * * Property Tax Grand Lists * * *

Sec. 6. 32 V.S.A. § 4041a is amended to read:

§ 4041a. REAPPRAISAL

(a) A municipality shall be paid \$8.50 per grand list parcel per year, from the equalization and reappraisal account within the education fund to be used only for reappraisal and costs related to reappraisal of its grand list properties and for maintenance of the grand list. ~~Additionally, a municipality shall be paid \$3.65 per grand list parcel for the first 100 parcels \$0.20 for each of the next 100 parcels, and \$0.01 for each parcel in excess of 200 from the equalization and~~

~~reappraisal account within the education fund, to be used only for costs to acquire assessment education provided under section 3436 of this title.~~

(b) If the Director of Property Valuation and Review determines that a municipality's education grand list is at a common level of appraisal below 80 percent or has a coefficient of dispersion greater than 20, the municipality shall reappraise its education grand list properties. If the Director orders a reappraisal, the Director shall send the municipality written notice of the decision. The municipality shall be given 30 days to contest the finding under procedural rules adopted by the Director, to develop a compliance plan, or both. If the Director accepts a proposed compliance plan submitted by the municipality, the Director shall not order commencement of the reappraisal until the municipality has had one year to carry out that plan.

(c) If a municipality fails to submit an acceptable plan or fails to carry out the plan, pursuant to subsection (b) of this section, the State shall withhold the education, transportation, and other funds from the municipality until the Director certifies that the town has carried out that plan.

(d) A sum not to exceed \$100,000.00 each year shall be paid from the equalization and reappraisal account within the Education Fund to the Division of Property Valuation and Review for the purpose of providing assessment education for municipal assessing officials. Annually the Director will publish a request for proposals for the annual education program described in section 3436 of this title. The Director is authorized to establish guidelines and requirements for education programs to be provided using the funds described in this section. Education programs provided using funds described in this section shall be provided at no cost or minimal cost the municipal assessing officials. In addition to providing the annual education programs as described in this Section, up to twenty percent of the amount available for education programs may be reserved as a scholarship fund to permit municipal assessing officials to attend national

programs providing education opportunities on advanced assessment topics. All applications for scholarships shall be submitted to and approved by the Director.

~~(d)~~(e) The Director shall adopt rules necessary for administration of this section.

Sec. 7. 32 V.S.A. § 4465 is amended to read:

§ 4465. APPOINTMENT OF PROPERTY ~~TAX~~ VALUATION HEARING OFFICER; OATH;
PAY

* * *

Sec. 8. 32 V.S.A. § 4467 is amended to read:

§ 4467. DETERMINATION OF APPEAL

Upon appeal to the Director or the Court, the hearing officer or Court shall proceed de novo and determine the correct valuation of the property as promptly as practicable and to determine a homestead and a housesite value if a homestead has been declared with respect to the property for the year in which the appeal is taken. The hearing officer or Court shall take into account the requirements of law as to valuation, and the provisions of Chapter I, Article 9 of the Constitution of Vermont and the 14th Amendment to the Constitution of the United States. If the hearing officer or Court finds that the listed value of the property subject to appeal does not correspond to the listed value of comparable properties within the town, the hearing officer or Court shall set said property in the list at a corresponding value. The findings and determinations of the hearing officer shall be made in writing and shall be available to the appellant. If the appeal is taken to the Director, the hearing officer ~~shall~~ may inspect the property prior to making a determination.

* * * Income Tax * * *

Sec. 9. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect for taxable year 2014 ~~2015~~, but without regard to federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the tax liability under this chapter.

Sec. 10. 32 V.S.A. § 5842 is amended to read:

§ 5842. RETURN AND PAYMENT OF WITHHELD TAXES

(a) Every person required to deduct and withhold any amount under section 5841 of this title shall make return thereof and shall pay over that amount to the Commissioner as follows:

(1) In quarterly payments to be made not later than ~~25 days following the last day of March, June, September, and December~~ the last day of the first calendar month following the period for which it is made, if the person reasonably estimates that the amount to be deducted and withheld during that quarter will not exceed \$2,500.00; or

(2) In semiweekly payments, if the person is required to make semiweekly payments of federal withholding pursuant to the Internal Revenue Code. Semiweekly shall mean payment of tax withheld for pay dates on Wednesday, Thursday, or Friday is due by the following Wednesday, and tax withheld for pay dates on Saturday, Sunday, Monday, or Tuesday is due by the following Friday.

(3) In monthly payments to be made not later than the ~~25th (23rd of February) day following the close of the calendar month during which the amount was withheld~~ fifteenth day of the first calendar month following the period for which it is made, if subdivisions (1) and (2) of this subsection do not apply.

(b) The Commissioner shall prescribe the method of payment of tax and may, without limitation, require electronic funds transfer or payment to a bank depository. The Commissioner may, in writing, permit or require returns to be made covering other periods and upon such dates

as the Commissioner may specify and require payments of tax liability at such intervals and based upon such classifications as the Commissioner may designate:

(1) to conform to federal withholding law as the Commissioner deems appropriate;

(2) in cases in which less frequent reporting is determined by the Commissioner to be sufficient; and

(3) in cases in which the Commissioner determines that the taxpayer's repeated failure to file or pay tax makes more frequent reporting necessary to insure the prompt and orderly collection of the tax.

(c) In addition to the returns required to be filed and payments required to be made under subsection (a) of this section, every person required to deduct and withhold any tax under section 5841 of this title shall file an annual return covering the aggregate amount deducted and withheld during the entire preceding year, not later than ~~February 28~~ January 31 of each year. At the time of filing that return the person shall pay over to the Commissioner any amount deducted and withheld during the preceding calendar year and not previously paid. The person shall, further, make such annual report to payees and to the Commissioner of amounts paid and withheld as the Commissioner by regulation shall prescribe.

(d) Notwithstanding section 5867 of this title, the Commissioner may, in his or her discretion, prescribe that one or more or all of the returns required by subsection (a) of this section are not required to be signed or verified by the taxpayer. The Commissioner may require businesses and payroll service providers to file information under this section by electronic means.

Sec. 11. 32 V.S.A. § 5864(b) is amended to read:

(b) Upon the failure of a taxpayer to file any return required under this chapter within 15 days of the date of a notice to the taxpayer under section 5863 of this title, whether or not a petition

has been or will be filed under subsection (a) of this section, the Commissioner may compute the tax liability of the taxpayer with respect to which the return was required to be filed, according to the Commissioner's best information and belief. Upon that computation, the Commissioner shall notify the taxpayer of his or her deficiency with respect to the payment of that tax liability, and may assess any penalty or interest with respect thereto, under sections 3202 and 3203 ~~5884~~ of this title.

Sec. 12. 32 V.S.A. § 5886 is amended to read:

§ 5886. PAYMENT AND COLLECTION OF DEFICIENCIES AND ASSESSMENTS;
JEOPARDY NOTICES

(a) Upon notification to a taxpayer of any deficiency, and upon assessment against the taxpayer of any penalty or interest, under sections 3202 and 3203 ~~5884~~ of this title, the amount of the assessment shall be payable forthwith and the amount of the deficiency and assessment shall be collectible by the Commissioner 60 days after the date of the notification or assessment. The collection by the Commissioner of the deficiency, penalty, or interest shall be stayed.

(1) If the taxpayer files a petition for determination by the Commissioner in accordance with section 5883 of this title, collection shall be stayed until 30 days after the notification of the taxpayer of the determination; and

(2) If within 30 days of the notification of determination the taxpayer files a notice of appeal, collection shall be stayed pending judgment of the court upon the appeal; and

(3) Under such further circumstances and upon such terms as the Commissioner prescribes.

(b) Notwithstanding subsection (a) of this section, the Commissioner, if he or she believes the collection from a taxpayer of any deficiency, penalty or interest to be in jeopardy, may demand, in writing, that the taxpayer pay the deficiency, penalty or interest forthwith. The demand may

be made concurrently with, or after, the notice of deficiency or the assessment of penalty or interest given to the taxpayer under sections 3202 and 3203 ~~5884~~ of this title. The amount of deficiency, penalty or interest shall be collectible by the Commissioner on the date of the demand, unless the taxpayer files with the Commissioner a bond in an amount equal to the deficiency, penalty or interest sought to be collected as security for such amount as finally may be determined. In the event that it is finally determined that the taxpayer was not liable for the amount of the deficiency, penalty, or interest referred to in any demand under this subsection, the Commissioner shall reimburse the taxpayer, promptly upon such determination, for the reasonable cost to the taxpayer of any bond obtained by him or her for the purposes of this subsection.

Sec. 13. 32 V.S.A. § 5887 is amended to read:

§ 5887. REMEDY EXCLUSIVE; DETERMINATION FINAL

(a) The exclusive remedy of a taxpayer with respect to the refund of monies paid in connection with a return filed under this chapter shall be the petition for refund provided under section 5884 of this title, and the appeal from an adverse determination of the petition for refund provided under section 5885 of this title. The exclusive remedy of a taxpayer with respect to a notification of deficiency or assessment of penalty or interest under sections 3202 and 3203 ~~5884~~ of this title shall be the petition for determination of the deficiency or assessment provided under section 5883 of this title, and the appeal from an adverse determination of deficiency or assessment provided under section 5885 of this title.

(b) Upon the failure of a taxpayer to petition in accordance with section 5883 of this title from a notice of deficiency or assessment under sections 3202 and 3203 ~~5884~~ of this title, or to appeal in accordance with section 5885 of this title from a determination of a deficiency or assessment

of tax liability under section 5883 of this title, the taxpayer shall be bound by the terms of the notification, assessment, or determination, as the case may be. The taxpayer shall not thereafter contest, either directly or indirectly, the tax liability as therein set forth, in any proceeding including, without limitation, a proceeding upon a claim of refund of all or any part of any payment made with respect to the tax liability, or a proceeding for the enforcement or collection of all or any part of the tax liability.

(c) Notwithstanding subsections (a) and (b) of this section, the Commissioner may compromise a tax liability arising under this title upon the grounds of doubt as to liability or doubt as to collectibility, or both. Upon acceptance by the Commissioner of an offer in compromise, the liability of the taxpayer in question is conclusively settled, and neither the taxpayer nor the Commissioner may reopen the case except by reason of falsification or concealment of assets by the taxpayer or mutual mistake of a material fact or if, in the opinion of the Commissioner, justice requires it. The decision of the Commissioner to reject an offer in compromise is not subject to review. The Commissioner may adopt rules regarding the procedures to be followed for the submission and consideration of offers in compromise.

Sec. 14. 32 V.S.A. § 5895 is amended to read:

§ 5895. TAX LIABILITY AS PROPERTY LIEN

(a) If any corporation, partnership, individual, trust, or estate required to pay or remit any tax liability under this chapter neglects or refuses to pay it in accordance with this chapter after notification or assessment thereof under sections 3202 and 3203 ~~5884~~ of this title, the aggregate amount of the tax liability then due and owing, together with any costs that may accrue in addition thereto, shall be a lien in favor of this State upon all property and rights to property, whether real or personal, belonging to the corporation, partnership, individual, trust, or estate.

The lien shall arise at the time the notification or assessment is made by the Commissioner and shall continue until the aggregate tax liability with costs is satisfied in full or becomes unenforceable by reason of lapse of time. The lien shall be valid as against any subsequent mortgagee, pledgee, purchaser, or judgment creditor when notice of the lien and the sum due has been filed by the Commissioner with the clerk of the town or city in which the property subject to lien is situated, or, in the case of an unorganized town, gore, or grant, in the office of the clerk of the county wherein the property is situated. In the case of a motor vehicle, the lien shall also be valid when a notation of the lien is made on the certificate of title and shall only be valid as against any subsequent mortgagee, pledgee, bona fide purchaser, or judgment creditor when such notation is made. In the case of any prior mortgage on any real or personal property so written as to secure a present debt and also future advances by the mortgagee to the mortgagor, the lien herein provided, when notice thereof has been filed in the proper clerk's office, shall be subject to the prior mortgage unless the Commissioner also notifies the mortgagee of the recording of the lien in writing, in which case any indebtedness thereafter created from the mortgagor to the mortgagee shall be junior to the lien herein provided for.

(b) The Commissioner shall issue to the taxpayer a certificate of release of the lien if:

(1) The Commissioner finds that the liability for the amount demanded, together with costs, has been satisfied or has become unenforceable by reason of lapse of time; or

(2) There is furnished to the Commissioner a bond with surety approved by the Commissioner in a sum sufficient to equal the amount demanded, together with costs, the bond to be conditioned upon the payment of any judgment rendered in proceedings regularly instituted by the Commissioner to enforce collection thereof at law or of any amount agreed upon in writing by the Commissioner to constitute the full amount of the liability; or

(3) The Commissioner determines at any time that the interest of this State in the property has no value.

(c) The lien provided for by this section may be foreclosed at any time after the tax liability with respect to which the lien arose becomes collectible under section 5886 of this title. In the case of real property, the lien may be foreclosed in the manner prescribed in 12 V.S.A. §§ 4523 through 4530 and in such rules as the Supreme Court may promulgate for the foreclosure of mortgages on real estate. In the case of personal property, the lien may be satisfied in the manner prescribed in 9A V.S.A. Article 9 for the disposition of collateral under a security interest, or in the manner provided by law for the foreclosure of other security interests in personal property.

Sec. 15. REPEAL

32 V.S.A. § 5912 is repealed.

Sec. 16. 32 V.S.A. § 5915 is amended to read:

§ 5915. MINIMUM TAX

An S corporation which is subject to the provisions of section 5914 of this title shall pay an annual tax of \$250.00 to the Commissioner of Taxes on or before the due date prescribed for the filing of ~~C corporation returns under section 5862 of this title~~ S corporation returns under subsection 6072(b) of the Internal Revenue Code.

Sec. 17. 32 V.S.A. § 5954(a) is amended to read:

(a) Every person required to pay this tax shall on or before the 30th day of the month following each calendar quarter, file a return with the Commissioner of Taxes and pay the amount of tax due. The Commissioner may require a return to be filed for quarters in which no tax is due.

* * * Homestead Property Tax Adjustment * * *

Sec. 18. 32 V.S.A. § 6061(13) is amended to read:

(13) "Homestead" means a homestead as defined under subdivision 5401(7), but not under subdivision 5401(7)(G), of this title and declared on or before ~~September 1~~ October 15 in accordance with section 5410 of this title.

Sec. 19. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

(a) By January 31 of each year, the owner of land rented as a portion of a homestead in the prior calendar year shall furnish a certificate of rent to the Department of Taxes and to each claimant who owned a portion of the homestead and rented that land as a portion of a homestead in the prior calendar year. The certificate shall indicate the proportion of total property tax on that parcel which was assessed for municipal property tax, for local share property tax, and for statewide property tax.

(b) The owner of each rental property consisting of more than one rented homestead shall, not later than January 31 of each year, furnish a certificate of rent to the Department of Taxes and to each person who rented a homestead from the owner at any time during the preceding calendar year. All other owners of rented homestead units shall furnish such certificate upon request of the renter. If a renter moves prior to December 31, the owner may either provide the certificate to the renter at the time of moving or mail the certificate to the forwarding address if one has been provided by the renter or in the absence of a forwarding address, to the last known address.

(c) A certificate under this section shall be in a form prescribed by the Commissioner and shall include the name of the renter, the address and any property tax parcel identification number of the homestead, notice of the requirements for eligibility for the property tax adjustment provided by this chapter, and any additional information which the Commissioner determines is appropriate.

(d)(1) An owner who knowingly fails to furnish a certificate to the Department or a renter as required by this section shall be liable to the Commissioner for a penalty of \$200.00 for each failure to act. An owner shall be liable to the Commissioner for a penalty equal to the greater of \$200.00 or the excess amount reported who:

(A) willfully furnishes a certificate that reports total allocable rent in excess of the actual amount paid; or

(B) reports a total amount of allocable rent that exceeds by 10 percent or more the actual amount paid.

(2) Penalties under this subsection shall be assessed and collected in the manner provided in chapter 151 for the assessment and collection of the income tax.

(e) Failure to receive a rent certificate shall not disqualify a renter from the benefits provided by this chapter.

* * * Estate Tax * * *

Sec. 20. 32 V.S.A. § 7475 is amended to read:

§ 7475. ADOPTION OF FEDERAL ESTATE AND GIFT TAX LAWS

The laws of the United States relating to federal estate and gift taxes as in effect on December 31, ~~2013~~ 2015, are hereby adopted for the purpose of computing the tax liability under this chapter, except:

(1) the credit for State death taxes shall remain as provided for under 26 U.S.C. §§ 2011 and 2604 as in effect on January 1, 2001;

(2) the applicable credit amount shall under 26 U.S.C. § 2010 shall not apply; and the tax imposed under section 7442a of this chapter shall be calculated as if the applicable exclusion amount under 26 U.S.C. § 2010 were \$2,750,000.00; and

(3) the deduction for State death taxes under 26 U.S.C. § 2058 shall not apply.

Sec. 21. 32 V.S.A. § 7402(13) is amended to read:

(13) "Vermont gross estate" means for any decedent the value of the federal gross estate under the laws of the United States, in excess of \$2,450,000.00 without adjustment for any amount under 26 U.S.C. § 2010(c)(4), but after adding back federal adjusted taxable gifts made by the decedent within one year of death and excluding the value of real or tangible personal property which has an actual situs outside Vermont at the time of death of the decedent, ~~and also excluding in.~~ In the case of a nonresident of Vermont the value of intangible personal property owned by the decedent shall also be excluded.

Sec. 22. 32 V.S.A. § 7442a is amended to read:

§ 7442a. IMPOSITION OF A VERMONT ESTATE TAX AND RATE OF TAX

(a) A 16 percent tax is hereby imposed on the transfer of the Vermont taxable estate of every decedent, ~~dying on or after January 1, 2002, who, at the time of death, was a resident of this State. The base amount of this tax shall be a sum equal to the amount of the credit for State death taxes allowable to a decedent's estate under 26 U.S.C. § 2011 as in effect on January 1, 2001.~~ This base amount shall be reduced by the lesser of the following:

(1) ~~The total amount of all constitutionally valid State death taxes actually paid to other states; or~~

(2) ~~A sum equal to the proportion of the credit which the value of the property taxed by other states bears to the value of the decedent's total gross estate for federal estate tax purposes.~~

(b) ~~A tax is hereby imposed on the transfer of the Vermont estate of every decedent dying on or after January 1, 2002, who, at the time of death, was not a resident of this State. The amount of this tax shall be a sum equal to the proportion of the base amount of tax under subsection (a)~~

~~of this section which the value of Vermont real and tangible personal property taxed in this State bears to the value of the decedent's total gross estate for federal estate tax purposes.~~

~~(c) The Vermont estate tax shall not exceed the amount of the tax imposed by 26 U.S.C. § 2001 calculated as if the applicable exclusion amount under 26 U.S.C. § 2010 were \$2,750,000.00, and with no deduction under 26 U.S.C. § 2058.~~

~~(d)~~(b) All values shall be as finally determined for federal estate tax purposes.

Sec. 23. 32 V.S.A. § 7475 is amended to read:

§ 7475. ADOPTION OF FEDERAL ESTATE AND GIFT TAX LAWS

The laws of the United States relating to federal estate and gift taxes as in effect on December 31, 2015, are hereby adopted for the purpose of computing the tax liability under this chapter, except:

~~(1) the credit for State death taxes shall remain as provided for under 26 U.S.C. §§ 2011 and 2604 as in effect on January 1, 2001;~~

~~(2) the applicable credit amount shall under 26 U.S.C. § 2010 shall not apply; and the tax imposed under section 7442a of this chapter shall be calculated as if the applicable exclusion amount under 26 U.S.C. § 2010 were \$2,750,000.00; and~~

~~(3) the deduction for State death taxes under 26 U.S.C. § 2058 shall not apply to the extent such laws conflict with any provision of this chapter.~~

Sec. 24. 32 V.S.A. § 7402(13) is amended to read:

(13) "Vermont gross estate" means for any decedent the value of the federal gross estate under the laws of the United States, in excess of ~~\$2,450,000.00~~ \$3,900,000.00 without adjustment for any amount under 26 U.S.C. § 2010(c)(4), but after adding back federal adjusted taxable gifts made by the decedent within ~~one~~ two years of death and excluding the value of real

or tangible personal property which has an actual situs outside Vermont at the time of death of the decedent, and also excluding in. In the case of a nonresident of Vermont the value of intangible personal property owned by the decedent shall also be excluded.

Sec. 25. 32 V.S.A. § 7402(13) is amended to read:

(13) "Vermont gross estate" means for any decedent the value of the federal gross estate under the laws of the United States, in excess of ~~\$3,900,000.00~~ the basic exclusion amount under 26 U.S.C. § 2010(c)(3) without adjustment for any amount under 26 U.S.C. § 2010(c)(4), but after adding back federal adjusted taxable gifts made by the decedent within ~~two~~ three years of death and excluding the value of real or tangible personal property which has an actual situs outside Vermont at the time of death of the decedent, and also excluding in. In the case of a nonresident of Vermont the value of intangible personal property owned by the decedent shall also be excluded.

* * * Corporation Taxes * * *

Sec. 26. 32 V.S.A. § 8146 is amended to read:

§ 8146. ADDITIONAL TAX; REFUNDS

When the Commissioner finds that owing to the incorrectness of a return or any other cause, a tax paid pursuant to this chapter is too small, he or she shall assess an additional tax sufficient to cover the deficit and shall forthwith notify the parties so assessed. The administrative provisions of chapters 103 and 151 shall apply to assessments and refund claims under this chapter.

Including those provisions governing interest and penalty in section 3202 of chapter 103, appeals, and collection of assessments.

* * * Meals and Rooms Tax * * *

Sec. 27. 32 V.S.A. § 9202(15) is amended to read:

(15) "Restaurant" means:

(A) An establishment from which food or beverage of the type for immediate consumption is sold or for which a charge is made, including a cafe, cafeteria, dining room, diner, lunch counter, snack bar, private or social club, bar, tavern, street vendor, or person engaged in the business of catering.

(B) An establishment 80 percent or more of whose total sales of food and beverage in the previous taxable year were, or in the first taxable year are reasonably projected to be, of alcoholic beverages, food, and beverage that are taxable under subdivision (10)(C) of this section, and food and beverage that are taxable under subdivision (10)(B) and are not exempt under subdivision (10)(D) of this section.

(C) "Restaurant" shall not include a snack bar on the premises of a retail grocery or "convenience" store.

~~(D) A vending machine is not a restaurant, but food or beverage that is sold from a vending machine shall be deemed to be sold by a "restaurant" if the vending machine is located on the premises of a restaurant.~~

* * * Sales and Use Tax * * *

Sec. 28. 32 V.S.A. § 9701 is amended to read:

§ 9701. DEFINITIONS

* * *

(5) "Retail sale" or "sold at retail" means any sale, lease, or rental for any purpose other than for resale, sublease, or subrent, including sales to contractors, subcontractors, or repair persons of materials and supplies for use by them in erecting structures or otherwise improving, altering, or repairing real property.

* * *

(53) "Contractors, subcontractors, or repair persons" shall not include manufacturers or any person primarily engaged in making retail sales of tangible personal property that include the type of tangible personal property being used to improve, alter, or repair real property.

Sec. 29. 32 V.S.A. § 9771 is amended to read:

§ 9771. IMPOSITION OF SALES TAX

Except as otherwise provided in this chapter, there is imposed a tax on retail sales in this State. The tax shall be paid at the rate of six percent of the sales price charged for but in no case shall any one transaction be taxed under more than one of the following:

(1) ~~tangible personal property, including property used to improve, alter, or repair the real property of others by a manufacturer or any person who is primarily engaged in the business of making retail sales of tangible personal property;~~

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* * * Independent Physicians and Dentists Provider Tax * * *

Sec. 30. 33 V.S.A. § 1951 is amended to read:

§ 1951 DEFINITIONS

As used in this subchapter:

* * *

(5) "Health care provider" means any hospital, nursing home, intermediate care facility for people with intellectual disabilities, home health agency, ~~or~~ retail pharmacy, independent physician, or practicing dentist.

* * *

(15) "Independent physician" means an entity of one or more practicing providers licensed under Title 26, Chapters 23, 33, and 81 not employed by a hospital, a hospital's subsidiary, parent or holding company, nursing home, intermediate care facility for people with intellectual disabilities, home health agency, ambulatory surgical center as defined in 18 V.S.A. § 9432, or free-standing laboratory or free-standing x-ray facility.

* * *

(16) "Practicing Dentist" means an entity of one or more providers licensed under Title 26, Chapter 12 practicing dentistry.

Sec. 31. 33 V.S.A. § 1955a is amended to read:

§ 1955a. HOME HEALTH AGENCY ASSESSMENT

(a) Beginning October 1, 2011, each home health agency's assessment shall be 19.30 percent of its net operating revenues from core home health care services, excluding revenues for services provided under Title XVIII of the federal Social Security Act; provided, however, that each home health agency's annual assessment shall be limited to no more than six percent of its annual net patient revenue. The amount of the tax shall be determined by the Commissioner based on a uniform reporting form developed by the Department of Vermont Health Access. The form shall be provided online and shall be submitted by providers on or before April 1 of each year and shall capture net operating revenues. ~~the home health agency's most recent audited financial statement. at the time of submission, a copy of which shall be provided on or before May 1 of each year to the Department. For providers who begin operations as a home health agency after January 1, 2005, the tax shall be assessed as follows:~~

~~(1) Until such time as the home health agency submits audited financial statements for its first full year of operation as a home health agency, the Commissioner, in consultation with the~~

~~home health agency, shall annually estimate the amount of tax payable and shall prescribe a schedule for interim payments.~~

~~(2) At such time as the full year audited financial statement is filed, the final assessment shall be determined, and the home health agency shall pay any underpayment or the Department shall refund any overpayment. The assessment for the State fiscal year in which a provider commences operations as a home health agency shall be prorated for the proportion of the State fiscal year in which the new home health agency was in operation. For newly contracted providers who begin operations after May 1, 2016, the Department may estimate the revenue of the provider, tax the provider based on the estimate and after one full year of operations the Department will settle the tax obligation based on section (a) above.~~

~~(b) For all current contractors the uniform reporting shall be made at the end of the home health provider's most current fiscal year.~~

~~(b)(c) Each home health agency shall be notified in writing by the Department of the assessment made pursuant to this section. If no home health agency submits a request for reconsideration under section 1958 of this title, the assessment shall be considered final.~~

~~(e)(d) Each home health agency shall submit its assessment to the Department according to a payment schedule adopted by the Commissioner. Variations in payment schedules shall be permitted as deemed necessary by the Commissioner.~~

~~(d)(e) Any home health agency that fails to make a payment to the Department on or before the specified schedule, or under any schedule for delayed payments established by the Commissioner, shall be assessed not more than \$1,000.00. The Commissioner may waive the late-payment assessment provided for in this subsection for good cause shown by the home health agency.~~

Sec. 32. 33 V.S.A. § 1955c is added to read:

§ 1955c. INDEPENDENT PHYSICIAN ASSESSMENT

(a) Beginning January 1, 2016, there is imposed on every independent physician a 2.35 percent annual assessment of the independent physician's net operating revenues during the calendar year. The annual assessment shall be paid to the Commissioner in one installment due by April 15.

(b) Each independent physician shall submit its assessment to the department according to a form and payment schedule adopted by the Commissioner. Variations in payment schedules shall be permitted as deemed necessary by the Commissioner.

(c) Any independent physician that fails to make a payment to the department on or before the specified schedule, or under any schedule for delayed payments established by the commissioner, shall be assessed not more than \$1,000.00 in penalties. The Commissioner may waive this late payment assessment provided for in this subsection for good cause shown.

(d) Pursuant to 42 U.S.C. § 1396b(w), no independent physician shall be guaranteed, expressly or otherwise, that any additional costs reimbursed to the provider will equal or exceed the amount of the tax paid by the independent physician.

Sec. 33. 33 V.S.A. § 1955d is added to read:

§ 1955d. PRACTICING DENTIST ASSESSMENT

(a) Beginning January 1, 2016, there is imposed on every practicing dentist a 2.35 percent annual assessment of the practicing dentist's net operating revenues during the calendar year. The annual assessment shall be paid to the Commissioner in one installment due by April 15th.

(b) Each practicing dentist shall submit its assessment to the department according to a form and payment schedule adopted by the commissioner. Variations in payment schedules shall be permitted as deemed necessary by the commissioner.

(c) Any practicing dentist that fails to make a payment to the department on or before the specified schedule, or under any schedule for delayed payments established by the commissioner, shall be assessed not more than \$1,000.00 in penalties. The commissioner may waive this late payment assessment provided for in this subsection for good cause shown.

(d) Pursuant to 42 U.S.C. § 1396b(w), no practicing dentist shall be guaranteed, expressly or otherwise, that any additional costs reimbursed to the provider will equal or exceed the amount of the tax paid by the independent physician.

Sec. 34. 33 V.S.A. § 1958(a) is amended to read:

§ 1958. APPEALS

(a) Any health care provider may submit a written request to the Department for reconsideration of the determination of the assessment within 20 days of notice of the determination. The request shall be accompanied by written materials setting forth the basis for reconsideration. If requested, the Department shall hold a hearing within ~~20~~90 days from the date on which the reconsideration request was received. The Department shall mail written notice of the date, time, and place of the hearing to the health care provider at least 10 days before the date of the hearing. On the basis of the evidence submitted to the Department or presented at the hearing, the Department shall reconsider and may adjust the assessment. Within ~~20~~30 days of the hearing, the Department shall provide notice in writing to the health care provider of the final determination of the amount it is required to pay based on any adjustments

made by it. Proceedings under this section are not subject to the requirements of 3 V.S.A. chapter 25.

* * * Home Weatherization Assistance Program * * *

Sec. 35. 33 V.S.A. § 2503 is amended to read:

§ 2503. FUEL GROSS RECEIPTS TAX

* * *

~~(d) Fuel sellers, which are regulated "companies" as defined in subsection 30 V.S.A. § 201(a), which provide conservation programs that meet the goals of the Weatherization Program in a manner approved by the Public Service Board, and which enhance the Weatherization Program's capacity to serve low income households may be eligible for rebates from the fuel gross receipts tax imposed under this section. To establish rebate eligibility, a company shall file with the Public Service Board, on or before August 15 of each year, a request for approval of rebates based on the company's activities during the prior fiscal year. The Public Service Board shall make a determination of the amount of rebate for each applicant on or before January 15 of each year, and such amount shall be rebated by the State Office of Economic Opportunity under the provisions of subsection (f) of this section. The Public Service Board shall authorize rebates equal to the expenditures undertaken by the regulated utilities provided that such expenditures were prudently incurred and cost effective, that they provided weatherization services following a comprehensive energy audit and work plan, except in cases where the fuel seller and weatherization staff jointly conclude that the need for weatherization services can be determined without a comprehensive energy audit, and that they were targeted to households that meet the eligibility criteria for low income weatherization services as determined by the Office of Economic Opportunity.~~

~~(e) Unregulated fuel sellers providing conservation programs that meet the goals of the Weatherization Program in a manner approved by the State Office of Economic Opportunity and that enhance the weatherization program's capacity to serve low income households may be eligible for rebates from the fuel gross receipts tax imposed under this section. To establish rebate eligibility, a company shall file with the State Office of Economic Opportunity, on or before August 15 of each year, a request for approval of rebates based on the company's activities during the prior fiscal year. The State Office of Economic Opportunity shall make a determination of the amount of rebate for each applicant on or before January 15 of each year, and that amount shall be rebated by the State Office of Economic Opportunity under the provisions of this subsection. The State Office of Economic Opportunity shall authorize rebates equal to the expenditures undertaken by the unregulated fuel sellers provided that the expenditures were prudently incurred and cost-effective, that they provided weatherization services following a comprehensive energy audit and work plan, except in cases where the fuel seller and weatherization staff jointly conclude that the need for weatherization services can be determined without a comprehensive energy audit, and that they were targeted to households at or below 150 percent of the federally established poverty guidelines.~~

~~(f) On or before August 7 of each year, the Director of the State Office of Economic Opportunity shall set aside a sum of money equaling two and one half percent of the tax receipts of the fuel gross receipts tax for the preceding fiscal year in an escrow account. The monies in the escrow account are to be used for rebate, as approved under subsections (d) and (e) of this section, of the gross receipts tax established in subsection (a) of this section. Upon approval of rebates, the Director shall pay the approved rebates out of the escrow account. In the event that the approved rebates exceed the amount of money set aside in the escrow account, the Director~~

~~shall prorate each rebate. Any balance of rebate awards remaining unpaid as a result of proration may be carried forward for payment in a succeeding year. If monies set aside exceed approved rebates, then the balance shall be returned to the Fund. The Director of the State Office of Economic Opportunity shall use the remainder of the tax receipts of the fuel gross receipts tax for the preceding fiscal year to assure the provision of weatherization services as described in subsections 2502(a), (b), and (c) of this title.~~

~~(g) No tax under this section shall be imposed for any quarter ending after June 30, 2016 2021. Monies from the escrow account shall be issued for rebates pursuant to subsection (f) of this section until March 1, 2017.~~

Sec. 36. EFFECTIVE DATES

(a) Notwithstanding 1 V.S.A. § 214, this section shall take effect retroactively on January 1, 2015, Sec. 9 (annual update of income tax link to the IRC) shall take effect retroactively on January 1, 2015 and apply to taxable years beginning on and after January 1, 2015, and Sec. 20 (annual update of estate tax link to the IRC) shall take effect retroactively on January 1, 2015 and apply to decedents dying on or after January 1, 2015.

(b) Notwithstanding 1 V.S.A. § 214, Sec. 30 (provider definitions), Sec. 32 (assessment on independent physicians), and Sec. 33 (assessment on practicing dentists) shall take effect retroactively on January 1, 2016 and shall apply to taxable years beginning on and after January 1, 2016.

(c) Secs. 1–4, 6–8, 11–16, 18–19, 26–27, 31, 34 and 35 shall take effect on passage.

(d) Secs. 5, 10, 17, and 28–29 shall take effect on July 1, 2015.

(e) Secs. 21–23 (estate tax) shall take effect on January 1, 2016 and apply to decedents dying after December 31, 2016.

(f) Sec. 24 (exclusion amount of \$3,900.00.00) shall take effect on January 1, 2018, and apply to decedents dying after December 31, 2017.

(g) Sec. 25 (federal exclusion amount) shall take effect on January 1, 2020, and apply to decedents dying after December 31, 2019.