

MISCELLANEOUS TAX PROPOSALS
Draft 3.2
Ways and Means
3/17/16

Sec.	Summary	Notes
	<i>Tax Administration</i>	
1	<p>Allows discretionary disclosure of return information to:</p> <ul style="list-style-type: none"> • municipalities for local option taxes or gross receipts tax • Department of Financial Regulation for tax on captive insurance • Vermont Student Assistance Corporation to verify eligibility for matching allocations for Higher Education Investment Plans 	
2	Provides employer immunity from liability for administrative garnishment.	
	<i>Use Value Appraisals</i>	
3	Changes Current Use Advisory Board public hearing date from August to October 15.	
4	Codifies annual agricultural land certification in statute.	
5	Requires notice to the Agency of Agriculture, Food and Markets and the Department of Forests, Parks and Recreation of development at the time land is developed rather than at the time land use change is paid, because payment may not occur until some time after development.	
	<i>Property Tax - Grand Lists</i>	
6	Changes the framework for lister education. Instead of paying municipalities to educate assessing officials, Property Valuation and Review will receive up to \$100,000.00 annually to provide free education programs and scholarships to assessing officials.	
7	Changes the section heading for the property hearing officer from “property tax” to “property valuation.”	
8	Unless requested by a property owner, the property valuation hearing officer is no longer required to inspect a property prior to making determination, but instead may inspect the property.	

	<i>Income Tax</i>	
9	Annual update of income tax link to IRC (effective retroactively).	
10	Changes due dates for payment of withholding taxes and changes W-2 due date.	
11	Repeals a section that conflicts with federal conformity required by 32 V.S.A. § 5910.	
12	Links due date for S corporation returns to federal due dates.	
13	Allows the Commissioner to require returns for tax on solid waste facilities when there is no liability.	
	<i>Homestead Property Tax Adjustments</i>	
14	Corrects the definition of “homestead” to reference the correct deadline for homestead declarations.	
15	Directs landlords to furnish a landlord certificate directly to the Department of Taxes in addition to the renter. Enables electronic filing.	
	<i>Corporation Taxes</i>	
16	Specifies that the interest and penalty provisions of section 3202 will apply in lieu of penalty provisions in chapter 151.	
17	Increases charges paid by insurance companies to support the Vermont Fire Service Training Council.	
	<i>Meals and Rooms Tax</i>	
18	Deletes provision that is no longer necessary because all food and beverages sold by a vending machine are now taxable meals.	
18a	Requires Tax Department to enter into agreements for the collection of the rooms tax by persons who provide a platform for private rentals of property for occupancy.	
	<i>Sales and Use Tax</i>	
19–21	Treats sales of tangible personal property to contractors as taxable, and the contractor, not the end customer, pays the sales tax. But also provides an election for manufacturers and retailers to charge the sales tax to end-users when they install tangible personal property.	

22–24	Adds definition of noncollecting vendor for purposes of sales and use tax and requires noncollecting vendors to provide notice of sales into Vermont to both the purchasers and the State. Changes definition of vendor to collect sales tax on out-of-state sales beginning on July 1, 2017 or when <u>Quill v. North Dakota</u> is overturned.	
	<i>Health Care-Related Provisions</i>	
25	Clarifies that support of the Office of Health Care Advocate is an expense that may be paid out of the Green Mountain Care Board’s billback authority and establishes percentages for support.	
26	Creates a tiered employer assessment, changes the base to be uncovered employees, and changes the rate of assessment.	
	<i>Fuel Gross Receipts Tax</i>	
27	Increases rate of tax from 0.50 to 0.75 for fuels, but not electricity. Reauthorizes the fuel gross receipts tax that will sunset on June 30, 2016. The language also eliminates the rebates for utilities in order to maximize the amount of funds available for weatherization of homes.	
28	Requires Tax Department to study impact of expanding and altering the base to which the fuel gross receipts tax is applied.	
	<i>Bank Franchise Tax</i>	
29	Creates a second tier for tax for banks with deposits of greater than \$750 million at a rate of 0.000121 of deposits. Requires credit unions to report their monthly deposits to the Department of Financial Regulation.	
	<i>Filing Periods</i>	
30	Changes filing period for bank franchise tax from quarterly to monthly.	
31	Changes filing period for the telephone company tax from quarterly to monthly.	
32	Changes filing period for fuel gross receipts tax from quarterly to monthly.	
	<i>Effective Dates</i>	
33	Effective dates	

