

MEMORANDUM

TO: Senate Committee on Economic Development, Housing, and General Affairs
FROM: Kirby Keeton, Tax Policy Analyst, Vermont Department of Taxes
DATE: April 8, 2016
RE: H.868 VEGI Rewrite; Technical Tax Changes

The Department of Taxes requests the following changes to H.868 as passed by the House Committee on Ways and Means. The first change is to correct where the new VEGI chapter will be placed in title 32. The other changes are to ensure the Department keeps all of its current compliance tools when pursuing the recapture of a VEGI incentive payment.

1. In bill section H.1., move 32 V.S.A. chapter 2 in the finance subtitle to the taxation subtitle at part 1, 32 V.S.A. chapter 105. Renumber the sections from 25-42 to sections 3301-3317.
2. In bill section H.1., add to the currently numbered section 38, a subsection (e) that reads: “No interest shall be paid by the Department of Taxes for any reason with respect to incentives allowed under this chapter.”
3. In bill section H.1., add to the currently numbered section 39, a subsection (c) that reads: “An installment payment recaptured pursuant to this section shall be a tax liability. A person or corporate officer with a duty and authority to remit taxes under this title shall be personally liable for an installment payment subject to recapture. For purposes of this section, the Department of Taxes may use any enforcement or collection action available for taxes owed pursuant to chapter 151 of this title.”