

## H.873 An Act relating to making miscellaneous tax changes

### Side-by-side: As Passed House and Senate Finance strike-all amendment (draft 3.1) 4/22/16

House Sec.	Summary	Sen. Fin. Sec.	Summary
	<i>Tax Administration</i>		<i>Tax Administration</i>
1	Allows discretionary disclosure of return information to: <ul style="list-style-type: none"> <li>• municipalities for local option taxes or gross receipts tax</li> <li>• Department of Financial Regulation for tax on captive insurance</li> <li>• Vermont Student Assistance Corporation to verify eligibility for matching allocations for Higher Education Investment Plans</li> </ul>	1	Same
2	Provides employer immunity from liability for administrative garnishment.	2	Same
	<i>Use Value Appraisals</i>		
3	Changes Current Use Advisory Board public hearing date from August to October 15.	3	Same
4	Codifies annual agricultural land certification in statute.	4	Same
5	There is a form that listers and owners give to the Tax Department when a piece of land is developed or withdrawn from current use. In the case of a withdrawal from current use, the form may be due prior to the payment of the land use change tax, which is reflected by this language change. This change conforms with current Tax Department practice.	5	Same

House Sec.	Summary	Sen. Fin. Sec.	Summary
	<i>Property Tax - Grand Lists</i>		<i>Property Tax</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 annually to provide free education programs and scholarships to assessing officials.	6	Same
7	Changes the section heading for the property hearing officer from “property tax” to “property valuation.”	7	Same
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.	8	Adds language allowing either party to the appeal to request an inspection and requiring notification of owner of the inspection option.
		9	Delays start of the first audit for the Milton Town Core TIF for one year to all the completion of a municipal audit.
		10	Adds language allowing Holton Home to use debt financing.
	<i>Income Tax</i>		<i>Income Tax</i>
9	Annual update of income tax link to IRC (effective retroactively).	11	Same
10	Changes due dates for payment of withholding taxes and changes W-2 due date.	12	Adds technical change requested by Tax Department after bill passed House.
11	Repeals a section that conflicts with federal conformity required by 32 V.S.A. § 5910.	13	Same
12	Links due date for S corporation returns to federal due dates.	14	Same

House Sec.	Summary	Sen. Fin. Sec.	Summary
	<i>Solid Waste Tax</i>		<i>Solid Waste Tax</i>
13	Allows the Commissioner to require returns for tax on solid waste facilities when there is no liability.	15	Same
	<i>Homestead Property Tax Adjustments</i>		<i>Homestead Property Tax Adjustments</i>
14	Corrects the definition of “homestead” to reference the correct deadline for homestead declarations.	16	Same
15	Directs landlords to furnish a landlord certificate directly to the Department of Taxes in addition to the renter. Enables electronic filing.	17	Same
	<i>Corporation Taxes (Railroad, Telephone, and certain Insurance companies)</i>		<i>Corporation Taxes (Railroad, Telephone, and certain Insurance companies)</i>
16	Clarifies that the interest and penalty provisions of section 3202 will apply to assessments under these chapters.	18	Same
17	Increases charges paid by insurance companies to support the Vermont Fire Service Training Council.	19	Same
	<i>Meals and Rooms Tax</i>		<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.	20	Same
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.	21	Adds language stating Tax shall endeavor to enter into agreements with persons providing Internet platforms.

House Sec.	Summary	Sen. Fin. Sec.	Summary
	<i>Sales and Use Tax</i>		<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	Same
22–23	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.	25–26	Makes changes to reporting requirement, including raising the threshold for noncollecting vendor reporting to State from \$50,000 to \$100,000. Moves back effective date to July 1, 2017.
24	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.	27	Alters effective date of Section 24. Changes definition of vendor to collect sales tax on out-of-state sales beginning on the <i>later</i> of either July 1, 2017 or when <u>Quill v. North Dakota</u> is overturned.
	<i>Health Care-Related Provisions</i>		<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.	28	Alters percentages of support from House version.
25a	Report on the structure of the employer assessment under 21 V.S.A. § 2003 by the Secretary of Administration.		Removed
26	Creates a tiered employer assessment, changes the base to uncovered employees, and changes the rate of assessment.		Removed
26a–26c	Imposes a provider tax on ambulance agencies of 3.3% of net patient revenues.	29–31	Same

House Sec.	Summary	Sen. Fin. Sec.	Summary
		32	Sets a minimum of two percent of net patient revenue for the home health agency assessment, and a ceiling of four and half percent.
		33	Creates a working group to develop a common understanding of the goals and parameters of the home health agency assessment.
	<i>Fuel Gross Receipts Tax</i>		<i>Fuel Gross Receipts Tax</i>
		34	Requires fuel gross receipt tax to be put into the formal revenue forecast.
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.	35	Retains rate increase, and elimination of rebates, but reauthorizes tax for one year, until June 30, 2017.
28	Requires Tax Department to study impact of expanding and altering the base to which the fuel gross receipts tax is applied.	36	Changes study language to focus on moving gross receipts tax to a per unit of fuel tax base.
	<i>Bank Franchise Tax</i>		<i>Bank Franchise Tax</i>
29	Creates a second tier for tax for banks with average monthly deposits in Vermont 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.		Removed
	<i>Filing Periods</i>		<i>Filing Periods</i>
30	Changes filing period for bank franchise tax from quarterly to monthly.	37	Same

House Sec.	Summary	Sen. Fin. Sec.	Summary
31	Changes filing period for the telephone company tax from quarterly to monthly.	38	Same
32	Changes filing period for fuel gross receipts tax from quarterly to monthly.	39	Same
	<i>Tax Expenditures</i>		<i>Tax Expenditures</i>
		40	Requires Department of Tax and Joint Fiscal Office to conduct expedited review of certain tax expenditures.
	<i>Effective Dates</i>		<i>Effective Dates</i>
33	Effective dates	41	Adds technical change requested by Tax Department.