

1 H.853

2 Introduced by Representative Hooper of Randolph

3 Referred to Committee on

4 Date:

5 Subject: Taxation; cooperatives

6 Statement of purpose of bill as introduced: This bill proposes to clarify the  
7 meaning of the term cooperative for certain tax purposes.

8 An act relating to clarifying the meaning of the term cooperative for certain  
9 tax purposes

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. 32 V.S.A. § 6066(e) is amended to read:

12 (e) Property taxes allocable to property used as a homestead and paid by a  
13 cooperative, including any organization operated on a cooperative basis within  
14 the meaning of federal income tax law irrespective of its form of organization,  
15 but not including a mobile home park cooperative, ~~allocable to property used~~  
16 as a homestead, shall be attributable to the co-op member for the purpose of  
17 computation of the adjustment of property tax liability of the co-op member  
18 under this section. Property owned by a cooperative declared as a homestead  
19 ~~may~~ shall only include the homestead and a pro rata share of any common land  
20 owned or leased by the cooperative, not to exceed the two-acre housesite

1 limitation. The share of the cooperative's assessed value attributable to the  
2 housesite shall be determined by the cooperative and specified annually in a  
3 notice to the co-op member. That property taxes paid by a cooperative are  
4 excluded from the income of the cooperative for purposes of federal income  
5 tax law shall not preclude such taxes from being attributed to co-op members.

6 Property taxes paid by a mobile home park cooperative, allocable to property  
7 used as a housesite, shall be attributed to the owner of the housesite for the  
8 purpose of computation of the adjustment of property tax liability of the  
9 housesite owner under this section. Property owned by the mobile home park  
10 cooperative and declared as a housesite ~~may~~ shall only include common  
11 property of the cooperative contiguous with at least one mobile home lot in the  
12 park, not to exceed the two-acre housesite limitation. The share attributable to  
13 any mobile home lot shall be determined by the cooperative and specified in  
14 the cooperative agreement.

15 \* \* \*

16 Sec. 2. 32 V.S.A. § 9602(3) is amended to read:

17 (3) with respect to the transfer to a ~~housing~~ consumers' cooperative  
18 organized under 11 V.S.A. chapter 7 ~~and whose sole purpose is to provide~~  
19 ~~principal residences for all of its members or shareholders, or to an affordable~~  
20 ~~housing~~ a cooperative housing corporation organized under 11 V.S.A. chapter  
21 ~~14, of property to be used as the principal residence of a member or~~

1 ~~shareholder~~, or to an organization operated on a cooperative basis within the  
2 meaning of federal income tax law irrespective of its form of organization,  
3 provided that the primary purpose of such organization is to provide housing  
4 services and related amenities to its members or shareholders, the tax shall be  
5 imposed in the amount of five-tenths of one percent of the first \$100,000.00 in  
6 value of the residence transferred and at the rate of one and one-quarter percent  
7 of the value of the residence transferred in excess of \$100,000.00; provided,  
8 however, that the residence or homesite leased by the cooperative is used  
9 exclusively as the principal residence of a member or shareholder. If the  
10 transferee ceases to be an eligible cooperative at any time during the six years  
11 following the date of transfer, the transferee shall then become obligated to pay  
12 any reduction in property transfer tax provided under this subdivision, and the  
13 obligation to pay the additional tax shall also run with the land.

14 Sec. 3. EFFECTIVE DATE

15 This act shall take effect on July 1, 2018.