

1 SPECIAL SESSION

2 H.2

3 Introduced by Representative Ancel of Calais

4 Referred to Committee on

5 Date:

6 Subject: Taxation; minimum tax on corporations; property tax; current use;  
7 administration; homestead definition; income sensitivity adjustment;  
8 electrical energy tax; insurance tax; meals and rooms tax; tobacco  
9 taxes; opioid assessment; publicly traded partnerships; higher  
10 education investment plans; electronic cigarettes; downtown and  
11 village center tax credit; affordable housing tax credit; health;  
12 stormwater fees; Green Mountain Care Board; hospitals; health  
13 insurance; accountable care organizations; billback formula

14 Statement of purpose of bill as introduced: This bill proposes to make  
15 numerous substantive and administrative changes to Vermont's tax laws. The  
16 bill creates an assessment on prescription opioids. The bill permits the creation  
17 of merged property assessment districts to match merged school districts. The  
18 bill moves the collection and administration of the fire safety insurance tax, the  
19 direct placement insurance tax, and the surplus lines tax from the Department  
20 of Financial Regulation to the Department of Taxes. The bill makes numerous  
21 other changes, including changes to the current use lien system, the definitions

1 of household income and homestead, tobacco taxes, higher education  
2 investment plans, the downtown and village center tax credit, the affordable  
3 housing tax credit, and the meals and rooms tax. This bill further proposes to  
4 revise the formula under which the Green Mountain Care Board assesses  
5 regulated health care industries for certain costs associated with their  
6 regulation and to revise municipal stormwater fees. The bill also alters the  
7 return requirements for publicly traded partnerships with lower-tier pass-  
8 through entities.

9 An act relating to making numerous revenue changes

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

11 \* \* \* Municipal Stormwater Fees \* \* \*

12 Sec. 1. 3 V.S.A. § 2822(j)(2)(B)(iv)(VI) is amended to read:

13 (VI) ~~Application~~ For application to operate under a general  
14 permit for stormwater runoff associated with municipal roads: ~~\$2,000.00, the~~  
15 following fees per authorization annually:

16 (aa) in a municipality with a population of more than 5,000  
17 persons: \$1,800.00;

18 (bb) in a municipality with a population of 2,500 to 5,000  
19 persons and 95 miles or more of maintained road: \$1,800.00;

1                    (cc) in a municipality with a population of 2,500 to 5,000  
2 persons and 25 to less than 95 miles of maintained road: \$1,350.00;

3                    (dd) in a municipality with a population of 2,500 to 5,000  
4 persons and less than 25 miles of maintained road: \$500.00;

5                    (ee) in a municipality with a population of fewer than 2,500  
6 but more than 500 persons and 25 miles or more of maintained road:  
7 \$1,350.00;

8                    (ff) in a municipality with a population of fewer than 2,500  
9 but more than 500 persons and less than 25 miles of maintained road: \$500.00;

10                   (gg) in a municipality with a population of fewer than 500  
11 persons: \$500.00;

12                   (hh) in a municipality that is covered under a municipal  
13 separate storm sewer system permit: \$0.00; and

14                   (ii) in an unincorporated or disincorporated municipality:  
15 \$0.00.

16                   \* \* \* Green Mountain Care Board Billback Formula \* \* \*

17                   Sec. 2. 18 V.S.A. § 9374(h) is amended to read:

18                   (h)(1) The Board may assess and collect from each regulated entity the  
19 actual costs incurred by the Board, including staff time and contracts for  
20 professional services, in carrying out its regulatory duties for health insurance  
21 rate review under 8 V.S.A. § 4062; hospital budget review under chapter 221,

1 subchapter 7 of this title; and accountable care organization certification and  
2 budget review under section 9382 of this title.

3 (2)(A) Except In addition to the assessment and collection of actual  
4 costs pursuant to subdivision (1) of this subsection (h) and except as otherwise  
5 provided in subdivision (2) subdivisions (2)(C) and (3) of this subsection, all  
6 other expenses incurred to obtain information, analyze expenditures, review  
7 hospital budgets, and for any other contracts authorized by of the Board shall  
8 be borne as follows:

9 (A)(i) 40 percent by the State from State monies;

10 (B)(ii) 15 30 percent by the hospitals;

11 (C)(iii) 15 24 percent by nonprofit hospital and medical service  
12 corporations licensed under 8 V.S.A. chapter 123 or 125;

13 (D) 15 percent by, health insurance companies licensed under  
14 8 V.S.A. chapter 101; and

15 (E) 15 percent by, and health maintenance organizations licensed  
16 under 8 V.S.A. chapter 139; and

17 (iv) six percent by accountable care organizations certified under  
18 section 9382 of this title.

19 (B) Expenses under subdivision (A)(iii) of this subdivision (2) shall  
20 be allocated to persons licensed under Title 8 based on premiums paid for  
21 health care coverage, which for the purposes of this subdivision (2) shall

1 include major medical, comprehensive medical, hospital or surgical coverage,  
2 and comprehensive health care services plans, but shall not include long-term  
3 care, limited benefits, disability, credit or stop loss, or excess loss insurance  
4 coverage.

5 (C) Expenses incurred by the Board for regulatory duties associated  
6 with certificates of need shall be assessed pursuant to the provisions of section  
7 9441 of this title and not in accordance with the formula set forth in  
8 subdivision (A) of this subdivision (2).

9 ~~(2)(3)~~ The Board may determine the scope of the incurred expenses to  
10 be allocated pursuant to the formula set forth in subdivision ~~(1)(2)~~ of this  
11 subsection if, in the Board's discretion, the expenses to be allocated are in the  
12 best interests of the regulated entities and of the State.

13 ~~(3) Expenses under subdivision (1) of this subsection shall be billed to~~  
14 ~~persons licensed under Title 8 based on premiums paid for health care~~  
15 ~~coverage, which for the purposes of this section shall include major medical,~~  
16 ~~comprehensive medical, hospital or surgical coverage, and comprehensive~~  
17 ~~health care services plans, but shall not include long term care or limited~~  
18 ~~benefits, disability, credit or stop loss, or excess loss insurance coverage.~~

19 (4) If the amount of the proportional assessment to any entity calculated  
20 in accordance with the formula set forth in subdivision (2)(A) of this  
21 subsection would be less than \$150.00, the Board shall assess the entity a

1 minimum fee of \$150.00. The Board shall apply the amounts collected based  
2 on the difference between each applicable entity's proportional assessment  
3 amount and \$150.00 to reduce the total amount assessed to the regulated  
4 entities pursuant to subdivisions (2)(A)(ii)–(iv) of this subsection.

5 \* \* \* Assessment on Manufacturers of Prescription Opioids

6 Dispensed in Vermont \* \* \*

7 Sec. 2a. 18 V.S.A. § 4754 is added to read:

8 § 4754. SUBSTANCE USE DISORDER PREVENTION, TREATMENT,  
9 AND RECOVERY FUND

10 (a) The Substance Use Disorder Prevention, Treatment, and Recovery Fund  
11 is established as a special fund pursuant to 32 V.S.A. chapter 7, subchapter 5.  
12 Into the Fund shall be deposited all revenue from the ratable shares assessed to  
13 manufacturers of prescription opioids dispensed in Vermont pursuant to  
14 32 V.S.A. chapter 221.

15 (b) The Fund shall be administered by the Agency of Human Services and  
16 shall be used for the following purposes:

17 (1) preventing opioid addiction and other substance use disorders;

18 (2) providing substance use disorder treatment to individuals with a  
19 dependency on or addiction to opioids, other controlled substances,  
20 prescription drugs, or a combination thereof; and

1           (3) providing individuals with opportunities to recover safely from  
2           substance use disorder.

3           (c) The Commissioner of Finance and Management may anticipate receipts  
4           to the Fund and issue warrants based thereon.

5           Sec. 2b. 32 V.S.A. chapter 221 is added to read:

6           CHAPTER 221. ASSESSMENT ON MANUFACTURERS OF OPIOIDS

7                           DISPENSED IN VERMONT

8           § 9001. DEFINITIONS

9           As used in this chapter:

10           (1) “Manufacturer” means any entity that is engaged in the production,  
11           preparation, propagation, compounding, conversion, or processing of  
12           prescription opioids, or a combination thereof, whether directly or indirectly by  
13           extraction from substances of natural origin, independently by means of  
14           chemical synthesis, or by a combination of extraction and chemical synthesis,  
15           or any entity engaged in the packaging, repackaging, labeling, relabeling, or  
16           distribution of prescription opioids. The term does not include a wholesale  
17           distributor of prescription opioids, a retailer, or a pharmacist licensed under  
18           26 V.S.A. chapter 36.

19           (2) “Morphine milligram equivalent” or “MME” means the conversion  
20           factor used to calculate the strength of an opioid using morphine dosage as the  
21           comparative unit of measure.

1           (3) “Opiate” means a drug derived from the dried, condensed juice of a  
2           poppy, Papaver somniferum, that has a narcotic, soporific, analgesic, or  
3           astrigent effect, or a combination thereof.

4           (4) “Opioid” means an opiate or any synthetic or semisynthetic narcotic  
5           that has opiatelike activities but is not derived from opium and has effects  
6           similar to natural opium alkaloids, and any derivatives thereof.

7           (5) “Prescription opioid” means an opiate or opioid that is a controlled  
8           substance under 21 C.F.R. Part 1308.

9           (6) “Ratable share” means the proportional amount of the total amount  
10          to be assessed across all manufacturers of prescription opioids that shall be  
11          paid by each manufacturer whose prescription opioids were dispensed in  
12          Vermont.

13          (7) “Vermont Prescription Monitoring System” means the program  
14          established pursuant to 18 V.S.A. chapter 84A.

15          § 9002. ASSESSMENT ON OPIOID MANUFACTURERS

16          (a)(1) There is hereby imposed an assessment upon manufacturers of  
17          prescription opioids dispensed in this State as set forth in this section.

18          (2) The annualized amount of revenue to be generated by the assessment  
19          each fiscal year shall be \$3,100,000.00, provided that that amount may be  
20          modified at any time by the General Assembly based on the State’s estimated



1 funding needs for substance use disorder prevention, treatment, and recovery  
2 programs and activities.

3 (b)(1) The ratable share of the total assessment amount for each  
4 manufacturer of prescription opioids shall be determined by the Department of  
5 Taxes, in consultation with the Department of Health, based on the  
6 proportional share of MMEs for each manufacturer's prescription opioids  
7 dispensed in Vermont during the same calendar quarter of the previous year,  
8 using information from the Vermont Prescription Monitoring System, to the  
9 total amount of MMEs for all prescription opioids dispensed in Vermont over  
10 the same period.

11 (2) The Department of Taxes shall send an invoice to each manufacturer  
12 for the assessment amount due pursuant to this section quarterly.  
13 Manufacturers of prescription opioids shall pay the assessment amount within  
14 30 days following the date of the invoice.

15 (3) Manufacturers of prescription opioids dispensed in this State shall  
16 not increase the wholesale or retail price of any prescription opioid to recover  
17 or offset the cost of the assessment.

18 (c) The following shall be exempt from the assessment imposed under this  
19 chapter:

20 (1) opioids used in medication-assisted treatment for substance use  
21 disorder; and

1           (2) any assessment that the State is prohibited from imposing by federal  
2           law, the U.S. Constitution, or the Vermont Constitution.

3           (d) All revenue from the assessment imposed under this chapter, including  
4           penalties and interest, shall be deposited in the Substance Use Disorder  
5           Prevention, Treatment, and Recovery Fund established by 18 V.S.A. § 4754.

6           § 9003. ADMINISTRATION OF ASSESSMENT

7           (a) The Commissioner of Taxes shall administer and enforce this chapter  
8           and the assessment.

9           (b) Except as otherwise provided in section 9004 of this title, all of the  
10           administrative provisions of chapter 151 of this title shall apply to the  
11           assessment imposed by this chapter as if it were a tax. In addition, the  
12           provisions of chapter 103 of this title, including those relating to the imposition  
13           of interest and penalty for failure to pay the assessment, shall apply to the  
14           assessment imposed by this chapter as if it were a tax.

15           § 9004. DETERMINATION OF DEFICIENCY, REFUND, PENALTY, OR

16                   INTEREST

17           (a) Within 60 days after the mailing of a notice of deficiency, denial, or  
18           reduction of a refund claim, or assessment of penalty or interest, a  
19           manufacturer may petition the Commissioner in writing for a determination of  
20           that deficiency, refund, or assessment. The Commissioner shall thereafter  
21           grant a hearing upon the matter and notify the manufacturer in writing of his or

1 her determination concerning the deficiency, penalty, or interest. This is the  
2 exclusive remedy of a manufacturer with respect to these matters.

3 (b) Any hearing granted by the Commissioner under this section shall be  
4 subject to and governed by 3 V.S.A. chapter 25.

5 (c) Any aggrieved manufacturer may, within 30 days after a determination  
6 by the Commissioner concerning a notice of deficiency, an assessment of  
7 penalty or interest, or a claim to refund, appeal that determination to the  
8 Washington Superior Court or to the Superior Court for any county in this  
9 State in which the manufacturer has a place of business.

10 § 9005. MME DATA TO BE PROVIDED TO COMMISSIONER OF

11 TAXES

12 (a) The Department of Health shall provide to the Commissioner of Taxes  
13 or designee reports of data available to the Department of Health through the  
14 Vermont Prescription Monitoring System that are necessary to determine the  
15 total amount of morphine milligram equivalents dispensed in this State during  
16 any specified time period, the amount of the dispensed morphine milligram  
17 equivalents attributable to each manufacturer of prescription opioids, and the  
18 ratable share of the total assessment amount owed by each manufacturer of  
19 prescription opioids pursuant to this chapter.

20 (b) The Department of Health and the Department of Taxes shall enter into  
21 a memorandum of understanding regarding the terms by which the Department

1 of Health shall provide the information described in subsection (a) of this  
2 section, including the timing and frequency of the data sharing, the format in  
3 which the data will be provided, and the measures to be established to ensure  
4 the confidentiality of the information provided to the Department of Taxes.

5 Sec. 2c. 18 V.S.A. § 4284(b)(2) is amended to read:

6 (2) The Department shall provide reports of data available to the  
7 Department through the VPMS only to the following persons:

8 \* \* \*

9 (H) The Commissioner of Taxes or designee, for the purpose of  
10 determining the total amount of morphine milligram equivalents dispensed in  
11 this State during any specified time period, the amount of the dispensed  
12 morphine milligram equivalents attributable to each manufacturer of  
13 prescription opioids, and the ratable share of the total assessment amount  
14 owed by each manufacturer of prescription opioids pursuant to 32 V.S.A.  
15 chapter 221.

16 Sec. 2d. FISCAL YEAR 2019 APPROPRIATIONS; LEGISLATIVE

17 INTENT FOR FUTURE FUNDING

18 (a) The following sums are appropriated from the Substance Use Disorder  
19 Prevention, Treatment, and Recovery Fund in fiscal year 2019:

20 (1) \$188,000.00 to the Department for Children and Families to support  
21 and maintain mentoring and afterschool programs for children. It is the intent

1 of the General Assembly to increase the funding for this purpose to  
2 \$376,000.00 in fiscal year 2020.

3 (2) \$215,000.00 to the Department of Health to support needle exchange  
4 programs and the distribution of naloxone. It is the intent of the General  
5 Assembly to increase the funding for this purpose to \$430,000.00 in fiscal year  
6 2020.

7 (3) \$137,500.00 to the Agency of Human Services to fund two positions  
8 and the operating costs of the Governor's Opioid Coordination Council to  
9 support its efforts to reduce the demand for opioids, provide adequate and  
10 effective treatment and recovery opportunities, and reduce the supply of  
11 opioids through prevention of opioid abuse and diversion. In fiscal year 2019,  
12 the sum of \$137,500.00 in federal matching funds is also appropriated to the  
13 Agency of Human Services, providing a total funding level of \$275,000.00 for  
14 the Governor's Opioid Coordination Council.

15 (4) \$400,000.00 to the Department of Corrections for expansion of  
16 medication-assisted treatment in correctional facilities. It is the intent of the  
17 General Assembly to increase the funding for this purpose to \$800,000.00 in  
18 fiscal year 2020.

19 (5) \$75,000.00 to the Criminal Justice Training Council to provide law  
20 enforcement officers with specialized training related to opioid investigation

1 and enforcement. It is the intent of the General Assembly to increase the  
2 funding for this purpose to \$100,000.00 in fiscal year 2020.

3 (b) In addition to the amounts identified for funding in fiscal year 2020 in  
4 subsection (a) of this section, it is also the intent of the General Assembly that,  
5 to the extent additional funds are available after fully funding the priorities  
6 specified in subdivisions (a)(1)–(4) of this section, those additional funds  
7 should be appropriated to the Agency of Human Services to increase the  
8 availability of substance use treatment services in underserved regions of the  
9 State.

10 (c) In order to implement any system changes needed to administer the  
11 assessment established in Sec. 2b (32 V.S.A. chapter 221) of this act, the  
12 Department of Taxes shall allocate one-time systems implementation funds as  
13 needed from the special funds appropriated in 2018 Acts and Resolves No. 87,  
14 Sec. 49 and shall allocate any additional resources needed from the funds  
15 appropriated to the Department of Taxes in the fiscal year 2019 budget. The  
16 Department of Taxes shall identify any ongoing funding required to administer  
17 the assessment in its fiscal year 2020 budget request.



1 Sec. 5. 16 V.S.A. § 2879e is amended to read:

2 § 2879e. CONSTRUCTION AND APPLICATION

3 This subchapter shall be construed liberally in order to effectuate its  
4 legislative intent. The purposes of this subchapter and all provisions of this  
5 subchapter with respect to powers granted shall be broadly interpreted to  
6 effectuate such intent and purposes and not as to any limitation of powers.

7 This subchapter shall be interpreted and enforced in a manner that shall  
8 achieve this public purpose in compliance with the applicable provisions of the  
9 Internal Revenue Code, except to the extent the Code is inconsistent with the  
10 provisions of 32 V.S.A. § 5825a.

11 Sec. 6. 32 V.S.A. § 5825a(b) is amended to read:

12 (b) A taxpayer who has received a credit under subsection (a) of this  
13 section shall repay to the Commissioner 10 percent of any distribution from a  
14 higher education investment plan account, which distribution is not ~~excluded~~  
15 ~~from gross income in the taxable year under 26 U.S.C. § 529, as amended,~~  
16 used exclusively for costs of attendance at an approved postsecondary  
17 education institution as defined in 16 V.S.A. § 2822(6), up to a maximum of  
18 the total credits received by the taxpayer under subsection (a) of this section  
19 minus any amount of repayment of such credits in prior tax years. Repayments  
20 under this subsection shall be subject to assessment, notice, penalty and



1 interest, collection, and other administration in the same manner as an income  
2 tax under this chapter.

3 Sec. 7. REPORT ON NONPOSTSECONDARY USE OF HIGHER  
4 EDUCATION INVESTMENT PLAN FUNDS

5 As far as practicable, the Vermont Student Assistance Corporation shall  
6 report the amount of assets withdrawn by participants from the Vermont  
7 Higher Education Investment Plan in the preceding calendar year for education  
8 costs other than postsecondary education costs, as well as the total amount of  
9 assets withdrawn by participants in the preceding calendar year, to the House  
10 Committee on Ways and Means and the Senate Committee on Finance  
11 annually on or before January 15.

12 \* \* \* Federal Income Tax Link \* \* \*

13 Sec. 7a. 32 V.S.A. § 5824 is amended to read:

14 § 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

15 The statutes of the United States relating to the federal income tax, as in  
16 effect ~~for taxable year 2016~~ on December 31, 2017, but without regard to  
17 federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the  
18 purpose of computing the tax liability under this chapter.

1                                   \* \* \* Tax Credit for Affordable Housing;  
2                                   First Time Homebuyer Program \* \* \*

3       Sec. 8. 32 V.S.A. § 5930u is amended to read:

4       § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

5       (a) As used in this section:

6               (1) “Affordable housing project” or “project” means:

7                       (A) a rental housing project identified in 26 U.S.C. § 42(g); or

8                       (B) owner-occupied housing identified in 26 U.S.C. § 143(c)(1) or

9       that qualifies under Vermont Housing Finance Agency criteria governing  
10       owner-occupied housing.

11               (2) “Affordable housing tax credits” means the tax credit provided by  
12       this subchapter.

13               (3) “Allocating agency” or “Agency” means the Vermont Housing  
14       Finance Agency.

15               (4) “Committee” means the Joint Committee on Tax Credits consisting  
16       of five members: a representative from the Department of Housing and  
17       Community ~~Affairs~~ Development, the Vermont Housing and Conservation  
18       Board, the Vermont Housing Finance Agency, the Vermont State Housing  
19       Authority, and the Office of the Governor.

20               (5) “Credit certificate” means a certificate issued by the allocating  
21       agency to a taxpayer that specifies the amount of affordable housing tax credits

1 that can be applied against the taxpayer's individual or corporate income tax,  
2 or franchise, captive insurance premium, or insurance premium tax liability as  
3 provided in this subchapter.

4 (6) "Eligible applicant" means any municipality, ~~private sector~~  
5 ~~developer~~, State agency as defined in 10 V.S.A. § 6301a, the Vermont Housing  
6 Finance Agency, ~~or a for-profit organization,~~ a nonprofit organization  
7 qualifying under 26 U.S.C. § 501(c)(3), or a cooperative housing organization,  
8 ~~the purpose of which is to create and retain affordable housing for Vermonters~~  
9 ~~with lower income and which has in its bylaws a requirement that the housing~~  
10 ~~the organization creates be maintained as affordable housing for Vermonters~~  
11 ~~with lower income on a perpetual basis~~ that meets the application requirements  
12 of the allocation plan.

13 (7) "Eligible cash contribution" means an amount of cash:

14 (A) contributed to the owner, developer, or sponsor of an affordable  
15 housing project and determined by the allocating agency as eligible for  
16 affordable housing tax credits; or

17 (B) paid to the Agency in connection with the purchase of affordable  
18 housing tax credits pursuant to subdivision (b)(2) or (3) of this section.

19 (8) "Section 42 credits" means tax credit provided by 26 U.S.C.

20 §§ 38 and 42.

1           (9) “Allocation plan” means the plan recommended by the Committee  
2           and approved by the Vermont Housing Finance Agency, which sets forth the  
3           eligibility requirements and process for selection of eligible multifamily rental  
4           housing projects to receive affordable housing tax credits, and eligible owner-  
5           occupied housing projects to receive loans or grants, under this section. The  
6           allocation plan shall include:

7                   (A) requirements for creation and retention of affordable housing for  
8           persons with low income; and

9                   (B) requirements to ensure that eligible multifamily rental housing is  
10           maintained as affordable by subsidy covenant, as defined in 27 V.S.A. § 610  
11           on a perpetual basis, and that eligible owner-occupied housing or program  
12           funds for owner-occupied housing remain as an affordable housing source for  
13           future owners or buyers, and meets all other requirements of the Vermont  
14           Housing Finance Agency related to affordable housing.

15           (10) “Taxpayer” means a taxpayer who makes an eligible cash  
16           contribution or the assignee or transferee of, or successor to, the taxpayer as  
17           determined by the Department of Taxes.

18           (b) Eligible tax credit allocations.

19           (1) Affordable housing credit allocation for multifamily rental housing.

20                   (A) An eligible applicant may apply to the allocating agency for an  
21           allocation of affordable housing tax credits under this section related to an

1 affordable multifamily rental housing project authorized by the allocating  
2 agency under the allocation plan. In the case of a specific affordable  
3 multifamily rental housing project, the eligible applicant shall also be the  
4 owner or a person having the right to acquire ownership of the building and  
5 shall apply prior to placement of the affordable housing project in service. ~~In~~  
6 ~~the case of owner-occupied housing units, the applicant shall ensure that the~~  
7 ~~allocated housing or program funds remain as an affordable housing resource~~  
8 ~~for future owners.~~ The allocating agency shall issue a letter of approval if it  
9 finds that the applicant meets the priorities, criteria, and other provisions of  
10 subdivision (B) of this subdivision (b)(1). The burden of proof shall be on the  
11 applicant.

12 (B) Upon receipt of a completed application, the allocating agency  
13 shall award an allocation of affordable housing tax credits with respect to a  
14 project to an applicant, provided the applicant demonstrates to the satisfaction  
15 of the allocating agency all of the following:

16 (i) The owner of the project has received from the allocating  
17 agency a binding commitment for, a reservation or allocation of, or an out-of-  
18 cap determination letter for, Section 42 credits, or meets the requirements of  
19 the allocation plan for development or financing of units to be owner-occupied.

20 (ii) The project has received community support.

1           (2) Affordable housing credit allocation for loans or grants for owner-  
2 occupied housing.

3           (A) The Vermont Housing Finance Agency shall have the authority  
4 to allocate affordable housing tax credits to provide funds to make loans or  
5 grants to eligible applicants for affordable owner-occupied housing. An  
6 eligible applicant may apply to the allocating agency for a loan or grant under  
7 this section related to an affordable owner-occupied housing project authorized  
8 by the allocating agency under the allocation plan. In the case of a specific  
9 affordable owner-occupied housing project, the eligible applicant shall also be  
10 the owner or a person having the right to acquire ownership of the unit and  
11 shall apply prior to the sale of the unit to the homeowner.

12           (B) The Agency shall require that the loan or grant recipient use such  
13 funds to maintain the unit as an affordable owner-occupied unit or as an  
14 affordable housing source for future owners or buyers.

15           (C) The Agency shall use the proceeds of loans or grants made under  
16 subdivision (A) of this subdivision (b)(2) for future loans or grants to eligible  
17 applicants for affordable owner-occupied housing projects.

18           (D) The Agency may assign its rights under any loan or grant made  
19 under subdivision (A) of this subdivision (b)(2) to the Vermont Housing and  
20 Conservation Board or any nonprofit organization qualifying under 26 U.S.C.

1     § 501(c)(3) as long as such assignee acknowledges and agrees to comply with  
2     the provisions of this subdivision (b)(2).

3             (3) Down Payment Assistance Program.

4             (A) The Vermont Housing Finance Agency shall have the authority  
5     to allocate affordable housing tax credits to finance down payment assistance  
6     loans that meet the following requirements:

7                 (i) the loan is made in connection with a mortgage through an  
8     Agency program;

9                 (ii) the borrower is a first-time homebuyer of an owner-occupied  
10    primary residence; and

11                (iii) the borrower uses the loan for the borrower's down payment  
12    or closing costs, or both.

13             (B) The Agency shall require the borrower to repay the loan upon the  
14    transfer or refinance of the residence.

15             (C) The Agency shall use the proceeds of loans made under the  
16    Program for future down payment assistance.

17             (c) Amount of credit. A taxpayer ~~who makes an eligible cash contribution~~  
18    shall be entitled to claim against the taxpayer's individual income, corporate,  
19    franchise, captive insurance premium, or insurance premium tax liability a  
20    credit in an amount specified on the taxpayer's credit certificate. The first-year

1 allocation of a credit amount to a taxpayer shall also be deemed an allocation  
2 of the same amount in each of the following four years.

3 (d) Availability of credit. The amount of affordable housing tax credit  
4 ~~allocated with respect to a project~~ provided on the taxpayer's credit certificate  
5 shall be available to the taxpayer every year for five consecutive tax years,  
6 beginning with the tax year in which the eligible cash contribution is made.  
7 Total tax credits available to the taxpayer shall be the amount of the first-year  
8 allocation plus the succeeding four years' deemed allocations.

9 (e) Claim for credit. A taxpayer claiming affordable housing tax credits  
10 shall submit with each return on which such credit is claimed ~~a copy of the~~  
11 ~~allocating agency's credit allocation to the affordable housing project and the~~  
12 ~~taxpayer's credit certificate, and for credits issued under subdivision (b)(1) of~~  
13 this section, a copy of the allocating agency's credit allocation to the affordable  
14 housing project. Any unused affordable housing tax credit may be carried  
15 forward to reduce the taxpayer's tax liability for ~~no~~ not more than  
16 14 succeeding tax years, following the first year the affordable housing tax  
17 credit is allowed.

18 (f) [Repealed.]



1 (g)(1) In any fiscal year, the allocating agency may award up to:

2 (A) \$400,000.00 in total first-year credit allocations to all applicants  
3 for rental housing projects, for an aggregate limit of \$2,000,000.00 over any  
4 given five-year period that credits are available under this subdivision (A);

5 (B) \$300,000.00 in total first-year credit allocations for loans or  
6 grants for owner-occupied unit financing or down payment loans as provided  
7 in subdivision (b)(2) of this section, consistent with the allocation plan,  
8 including for new construction and manufactured housing, for an aggregate  
9 limit of \$1,500,000.00 over any given five-year period that credits are  
10 available under this subdivision (B).

11 (2) In any fiscal year, total first-year credit allocations under subdivision  
12 (1) of this subsection plus succeeding-year deemed allocations shall not exceed  
13 \$3,500,000.00.

14 (h)(1)(A) In fiscal year 2016 through fiscal year ~~2022~~ 2018, the allocating  
15 agency may award up to \$125,000.00 in total first-year credit allocations for  
16 loans through the Down Payment Assistance Program created in subdivision  
17 (b)(~~2~~)(3) of this section.

18 (B) In fiscal year 2019 through fiscal year 2022, the allocating  
19 agency may award up to \$250,000.00 in total first-year credit allocations for  
20 loans through the Down Payment Assistance Program created in subdivision  
21 (b)(3) of this section.

1           (C) In fiscal year 2023 through fiscal year 2025, the allocating  
2           agency may award up to \$125,000.00 in total first-year credit allocations for  
3           loans through the Down Payment Assistance Program created in subdivision  
4           (b)(3) of this section.

5           (2)(A) In ~~any~~ fiscal year 2016 through fiscal year 2018, total first-year  
6           credit allocations under subdivision (1) of this subsection (h) plus succeeding-  
7           year deemed allocations shall not exceed \$625,000.00.

8           (B) In fiscal year 2019 and in each fiscal year thereafter, total first-  
9           year credit allocations under subdivision (1) of this subsection (h) plus  
10           succeeding-year deemed allocations shall not exceed \$1,125,000.00.

11                           \* \* \* Downtown and Village Center Tax Credit \* \* \*

12           Sec. 9. 32 V.S.A. § 5930ee is amended to read:

13           § 5930ee. LIMITATIONS

14           Beginning in fiscal year 2010 and thereafter, the State Board may award tax  
15           credits to all qualified applicants under this subchapter, provided that:

16           (1) the total amount of tax credits awarded annually, together with sales  
17           tax reallocated under section 9819 of this title, does not exceed ~~\$2,400,000.00~~  
18           \$2,650,000.00;

19           (2) a total annual allocation of ~~no~~ not more than 30 percent of these tax  
20           credits in combination with sales tax reallocation may be awarded in  
21           connection with all of the projects in a single municipality;

1           (3) façade tax credits shall not be available for projects that qualify for  
2 the federal rehabilitation tax credit;

3           (4) no credit shall be allowed under this subchapter for the cost of  
4 acquiring any building or interest in a building;

5           (5) credit under any one subsection of 5930cc of this subchapter may  
6 not be allocated more often than once every two years with respect to the same  
7 building; and

8           (6) credit awarded under section 5930cc of this subchapter that is  
9 rescinded or recaptured by the State Board shall be available for the State  
10 Board to award to applicants in any subsequent year, in addition to the total  
11 amount of tax credits authorized under this section.

12                                   \* \* \* Tax on E-Cigarettes \* \* \*

13           Sec. 10. 32 V.S.A. § 7702(15) is amended to read:

14           (15) “Other tobacco products” means any product manufactured from,  
15 derived from, or containing tobacco that is intended for human consumption by  
16 smoking, chewing, or in any other manner, including any liquids, whether  
17 nicotine based or not, and single-use devices used with a tobacco substitute, as  
18 defined in 7 V.S.A. § 1001(8); but shall not include cigarettes, little cigars,  
19 roll-your-own tobacco, snuff, or new smokeless tobacco as defined in this  
20 section.

1 Sec. 10a. 32 V.S.A. § 7811 is amended to read:

2 § 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

3 There is hereby imposed and shall be paid a tax on all other tobacco  
4 products, snuff, and new smokeless tobacco possessed in the State of Vermont  
5 by any person for sale on and after July 1, 1959 which were imported into the  
6 State or manufactured in the State after that date, except that no tax shall be  
7 imposed on tobacco products sold under such circumstances that this State is  
8 without power to impose such tax, or sold to the United States, or sold to or by  
9 a voluntary unincorporated organization of the U.S. Armed Forces operating a  
10 place for the sale of goods pursuant to regulations promulgated by the  
11 appropriate executive agency of the United States. The tax is intended to be  
12 imposed only once upon the wholesale sale of any other tobacco product and  
13 shall be at the rate of 92 percent of the wholesale price for all tobacco products  
14 except for any liquids, whether nicotine based or not, and single-use devices  
15 used with a tobacco substitute, as defined in 7 V.S.A. § 1001(8), which shall be  
16 taxed at a rate of 46 percent of the wholesale price, snuff, which shall be taxed  
17 at \$2.57 per ounce, or fractional part thereof, new smokeless tobacco, which  
18 shall be taxed at the greater of \$2.57 per ounce or, if packaged for sale to a  
19 consumer in a package that contains less than 1.2 ounces of the new smokeless  
20 tobacco, at the rate of \$3.08 per package, and cigars with a wholesale price  
21 greater than \$2.17, which shall be taxed at the rate of \$2.00 per cigar if the

1 wholesale price of the cigar is greater than \$2.17 and less than \$10.00, and at  
2 the rate of \$4.00 per cigar if the wholesale price of the cigar is \$10.00 or more.  
3 Provided, however, that upon payment of the tax within 10 days, the distributor  
4 or dealer may deduct from the tax two percent of the tax due. It shall be  
5 presumed that all other tobacco products, snuff, and new smokeless tobacco  
6 within the State are subject to tax until the contrary is established and the  
7 burden of proof that any other tobacco products, snuff, and new smokeless  
8 tobacco are not taxable hereunder shall be upon the person in possession  
9 thereof. Licensed wholesalers of other tobacco products, snuff, and new  
10 smokeless tobacco shall state on the invoice whether the price includes the  
11 Vermont tobacco products tax.

12 \* \* \* Taxable Meal Exclusions \* \* \*

13 Sec. 11. 32 V.S.A. § 9202(10)(D) is amended to read:

14 (D) "Taxable meal" shall not include:

15 \* \* \*

16 (iii) Food or beverage purchased for resale, provided that at the  
17 time of sale the purchaser provides the seller an exemption certificate in a form  
18 approved by the Commissioner. However, when the food or beverage  
19 purchased for resale is subsequently resold, the subsequent purchase does not  
20 come within this exemption unless the subsequent purchase is also for resale  
21 and an exemption certificate is provided.

1                                 \* \* \* Miscellaneous Tax Changes \* \* \*

2                                 \* \* \* Solar Energy Investment Income Tax Credit \* \* \*

3         Sec. 12. 32 V.S.A. § 5822 is amended to read:

4         § 5822. TAX ON INCOME OF INDIVIDUALS, ESTATES, AND TRUSTS

5   \* \* \*

6                 (c) The amount of tax determined under subsection (a) of this section  
7 shall be:

8                         (1) increased by 24 percent of the taxpayer's federal tax liability for the  
9 taxable year for the following:

10                         (A) additional taxes on qualified retirement plans, including  
11 individual retirement accounts and medical savings accounts and other tax-  
12 favored accounts;

13                         (B) recapture of the federal investment tax credit ~~and increased by~~  
14 ~~76 percent of the Vermont property portion of the business solar energy~~  
15 ~~investment tax credit component of the federal investment tax credit recapture~~  
16 ~~for the taxable year~~ attributable to the Vermont-property portion of the  
17 investment;

18                         (C) tax on qualified lump-sum distributions of pension income not  
19 included in federal taxable income; and

20                         (2) decreased by 24 percent of the reduction in the taxpayer's federal tax  
21 liability due to farm income averaging.

1 (d)(1) A taxpayer shall be entitled to a credit against the tax imposed under  
2 this section of 24 percent of each of the credits allowed against the taxpayer's  
3 federal income tax for the taxable year as follows: credit for people who are  
4 elderly or permanently totally disabled, investment tax credit attributable to the  
5 Vermont-property portion of the investment, and child care and dependent care  
6 credits.

7 (2) Any unused ~~business~~ solar energy investment tax credit under this  
8 section may be carried forward for ~~no~~ not more than five years following the  
9 first year in which the credit is claimed.

10 \* \* \*

11 \* \* \* Minimum Corporate Income Tax \* \* \*

12 Sec. 13. 32 V.S.A. § 5832 is amended to read:

13 § 5832. TAX ON INCOME OF CORPORATIONS

14 A tax is imposed for each calendar year, or fiscal year ending during that  
15 calendar year, upon the income earned or received in that taxable year by every  
16 taxable corporation, reduced by any Vermont net operating loss allowed under  
17 section 5888 of this title, such tax being the greater of:

18 (1) ~~an~~ An amount determined in accordance with the following  
19 schedule:

20 \* \* \*

1           (2)(A) \$75.00 for small farm corporations. “Small farm corporation”  
2 means any corporation organized for the purpose of farming, which during the  
3 taxable year is owned solely by active participants in that farm business and  
4 receives less than \$100,000.00 Vermont gross receipts from that farm  
5 operation, exclusive of any income from forest crops; or

6           (B) An amount determined in accordance with section 5832a of this  
7 title for a corporation ~~which~~ that qualifies as and has elected to be taxed as a  
8 digital business entity for the taxable year; or

9           (C) For C corporations with Vermont gross receipts from  
10 \$0-\$2,000,000.00, the greater of the amount determined under subdivision (1)  
11 of this section or \$300.00; or

12           (D) For C corporations with Vermont gross receipts from  
13 \$2,000,001.00-\$5,000,000.00, the greater of the amount determined under  
14 subdivision (1) of this section or \$500.00; or

15           (E) For C corporations with Vermont gross receipts greater than  
16 \$5,000,000.00, the greater of the amount determined under subdivision (1) of  
17 this section or \$750.00.



1                       \* \* \* Publicly Traded Partnerships Income Tax

2                                     Withholding Exemption \* \* \*

3       Sec. 13a. 32 V.S.A. § 5920(h) is amended to read:

4       (h)(1) Notwithstanding any provisions in this section, a publicly traded  
5       partnership as defined in 26 U.S.C. § 7704(b), that is treated as a partnership  
6       for the purposes of the Internal Revenue Code, is exempt from any income tax  
7       liability and any compliance and payment obligations under ~~subsection~~  
8       subsections (b) and (c) of this section, if information required by the  
9       Commissioner under subdivision (2) of this subsection is provided by the due  
10      date of the partnership's return. ~~This information includes the name, address,~~  
11      ~~taxpayer identification number, and annual Vermont source of income greater~~  
12      ~~than \$500.00 for each partner who had an interest in the partnership during the~~  
13      ~~tax year. This information shall be provided to the Commissioner in an~~  
14      ~~electronic format, according to rules or procedures adopted by the~~  
15      ~~Commissioner.~~

16               (2) Publicly traded partnerships shall provide to the Commissioner in an  
17      electronic format, according to rules or procedures adopted by the  
18      Commissioner, an annual return that includes the name, address, taxpayer  
19      identification number, and other information requested by the Commissioner  
20      for each partner with Vermont source income in excess of \$500.00.

1           (3) A lower-tier pass-through entity of a publicly traded partnership may  
2           request from the Commissioner an exemption from the compliance and  
3           payment obligations specified in subsections (b) and (c) of this section. The  
4           request for the exemption must be in writing and contain:

5                   (A) the name, the address, and the account number or federal  
6                   identification number of each of the lower-tier pass-through entity's partners,  
7                   shareholders, members, or other owners; and

8                   (B) information that establishes the ownership structure of the lower-  
9                   tier pass-through entity and the amount of Vermont source income.

10           (4) The Commissioner may request additional documentation before  
11           granting an exemption to a lower-tier pass-through entity. As used in this  
12           subsection, a "lower-tier pass-through entity" means a pass-through entity for  
13           purposes of the Internal Revenue Code, which can include a partnership, S-  
14           Corp, disregarded entity, or limited liability company and which allocates  
15           income, directly or indirectly, to a publicly traded partnership. The exemption  
16           under subdivision (3) of this subsection shall only apply to income allocated,  
17           directly or indirectly, to a publicly traded partnership.

18           (5) If granted, the exemption for the lower-tier pass-through entity shall  
19           be effective for three years following the date the exemption is granted. At the  
20           end of the three-year period, the lower-tier pass-through entity of a publicly  
21           traded partnership shall submit a new exemption request to continue the

1 exemption. The Commissioner may revoke the exemption for the lower-tier  
2 pass-through entity if the Commissioner determines that the lower-tier pass-  
3 through entity is not satisfying its tax payment and reporting obligations to the  
4 State with respect to income allocated, directly or indirectly, to nonresident  
5 partners or members that are not publicly traded partnerships.

6 Sec. 13b. 32 V.S.A. § 3102(e)(20) is added to read:

7 (20) To a publicly traded partnership as defined in subdivision  
8 5920(h)(1) of this title and to lower-tier pass-through entities of a publicly  
9 traded partnership as defined in subdivision 5920(h)(4) of this title for the  
10 purpose of reviewing, granting, or denying exemption requests from the  
11 requirements of section 5920 of this title.

12 \* \* \* Property Tax; Land Use Change Tax Lien \* \* \*

13 Sec. 14. 32 V.S.A. § 3757(f) is amended to read:

14 (f)(1) When the application for use value appraisal of agricultural land and  
15 forestland has been approved by the State, the State shall record a notice of  
16 contingent lien against the enrolled land in the land records of the municipality  
17 ~~that shall constitute a lien to secure payment of the land use change tax to the~~  
18 ~~State upon development.~~ The landowner shall bear the recording cost. The  
19 notice of contingent lien shall constitute notice to all interested parties that a  
20 lien against the enrolled land shall be created upon the recording in the land  
21 records of a determination that development of that land as defined in section

1 3752 of this chapter has occurred. The lien created by the recording of the  
2 notice of development shall be for the amount of the land use change tax then  
3 due, as specified in the notice of development. A lien recorded in the land  
4 records of a municipality under this section on or after April 17, 1978 shall be  
5 deemed to be a contingent lien.

6 (2) The land use change tax and any obligation to repay benefits paid in  
7 error shall not constitute a personal debt of the person liable to pay the same,  
8 but shall constitute a lien ~~which~~ that shall run with the land. All of the  
9 administrative provisions of chapter 151 of this title, including those relating to  
10 collection and enforcement, shall apply to the land use change tax. The  
11 Director shall release the lien when notified that:

12 (A) the land use change tax is paid;

13 (B) the land use change tax is abated pursuant to this section;

14 (C) the land use change tax is abated pursuant to subdivision 3201(5)  
15 of this title;

16 (D) the land is exempt from the levy of the land use change tax  
17 pursuant to this section and the owner requests release of the lien; or

18 (E) the land is exempt from the levy of the land use change tax  
19 pursuant to this section and the land is developed.

20 ~~(2)(3) Nothing in this subsection shall be construed to allow the~~  
21 ~~enrollment of agricultural land or managed forestland without a lien to secure~~

1 ~~payment of the land use change tax.~~ Any fees related to the release of a lien  
2 under this subsection shall be the responsibility of the owner of the land  
3 subject to the lien.

4 \* \* \* Fee Waiver for Property Tax Appeals \* \* \*

5 Sec. 15. 32 V.S.A. § 4461(a) is amended to read:

6 (a) A taxpayer or the ~~Selectboard~~ selectboard members of a town aggrieved  
7 by a decision of the board of civil authority under subchapter 1 of this chapter  
8 may appeal the decision of the board to either the Director or the Superior  
9 Court of the county in which the property is located. The appeal to the  
10 Superior Court shall be heard without a jury. The appeal to either the Director  
11 or the Superior Court shall be commenced by filing a notice of appeal pursuant  
12 to Rule 74 of the Vermont Rules of Civil Procedure, within 30 days ~~of~~ after  
13 entry of the decision of the board of civil authority. The date of mailing of  
14 notice of the board's decision by the town clerk to the taxpayer shall be  
15 deemed the date of entry of the board's decision. The town clerk shall transmit  
16 a copy of the notice to the Director or to the Superior Court as indicated in the  
17 notice and shall record or attach a copy of the notice in the grand list book.  
18 The entry fee for an appeal to the Director is \$70.00; provided, however, that  
19 the Director may waive, reduce, or refund the entry fee in cases of hardship or  
20 to join appeals regarding the same parcel.

1   \* \* \* Land Gains Tax Affidavit \* \* \*

2       Sec. 16. 32 V.S.A. § 10007(c) is amended to read:

3           (c) Notwithstanding either subsection (a) or (b) of this section, the seller or  
4       transferor may, in advance of the sale or exchange, pay ~~the~~ all tax imposed by  
5       this chapter ~~or obtain a written ruling from the Commissioner of Taxes that no~~  
6       ~~tax is due under this chapter. In either case, the Commissioner shall certify to~~  
7       ~~the seller or transferor~~ and provide an affidavit that such payment has been  
8       made or that no tax is due. Upon receipt by the buyer or transferee of such  
9       ~~certification~~ affidavit from the seller or transferor, the buyer or transferee shall  
10      not be required to withhold under subsection (a) of this section.

11   \* \* \* Property Tax Definitions; Homestead and Household Income \* \* \*

12      Sec. 17. 32 V.S.A. § 5401(7) is amended to read:

13           (7) “Homestead”:

14           (A) “Homestead” means the principal dwelling and parcel of land  
15      surrounding the dwelling, owned and occupied by a resident individual as the  
16      individual’s domicile or owned and fully leased on April 1, provided the  
17      property is not leased for more than 182 days out of the calendar year, or for  
18      purposes of the renter property tax adjustment under subsection 6066(b) of this  
19      title, is rented and occupied by a resident individual as the individual’s  
20      domicile.

21   \* \* \*

1           (E)(i) A homestead also includes a dwelling on the homestead parcel  
2 owned by a farmer as defined under section 3752 of this title; and occupied as  
3 the permanent residence by a parent, sibling, child, or grandchild of the farmer,  
4 or by a shareholder, partner, or member of the farmer-owner, provided that the  
5 shareholder, partner, or member owns more than 50 percent of the farmer-  
6 owner, including attribution of stock ownership of a parent, sibling, child, or  
7 grandchild.

8           (ii) A homestead further includes the principal dwelling of a  
9 widow or widower, provided that the dwelling is owned by the estate of the  
10 deceased spouse and it is reasonably likely that the dwelling will pass to the  
11 widow or widower by law or valid will when the estate is settled.

12                                   \* \* \*

13       Sec. 18. 32 V.S.A. § 6061(4) is amended to read:

14           (4)(A) “Household income” means modified adjusted gross income, but  
15 not less than zero, received in a calendar year by:

16           ~~(A)~~(i) all persons of a household while members of that  
17 household; and

18           ~~(B)~~(ii) the spouse of the claimant who is not a member of that  
19 household and who is not legally separated from the claimant in the taxable  
20 year as defined in subdivision (9) of this section, unless the spouse is at least

1 62 years of age and has moved to a nursing home or other care facility with no  
2 reasonable prospect of returning to the homestead.

3 (B) "Household income" does not mean:

4 (i) the modified adjusted gross income of the spouse or former  
5 spouse of the claimant, if the claimant is legally separated or divorced from the  
6 spouse in the taxable year as defined in subdivision (9) of this section;

7 (ii) the modified adjusted gross income of the spouse of the  
8 claimant, if the spouse is subject to a protection order as defined in 15 V.S.A.  
9 § 1101(5) that is in effect at the time the claimant reports household income to  
10 the Department of Taxes.

11 \* \* \* Aggregate Common Level of Appraisal and  
12 Distribution of Property Tax Adjustments \* \* \*

13 Sec. 19. 32 V.S.A. § 5403 is added to read:

14 § 5403. ASSESSMENT DISTRICTS

15 (a) A municipality may vote at any regular or special meeting to merge  
16 with one or more other municipalities in the same unified union school district  
17 to create or join an assessment district for the purpose of standardized property  
18 valuation.

19 (b) All municipalities merged into an assessment district shall agree to  
20 implement standardized assessment procedures approved by the



1 Commissioner. The Commissioner shall provide written guidance to  
2 municipalities relating to how they may receive approval under this subsection.

3 (c) A vote to merge with an assessment district shall be binding on a  
4 municipality for five years. After five years, a municipality may vote at any  
5 regular or special meeting to leave the assessment district, unless the  
6 assessment district has consolidated all administrative functions.

7 (d) All municipalities within an assessment district shall be treated as a  
8 single municipality for purposes of the equalization process established by  
9 section 5405 of this chapter.

10 (e) Municipalities within an assessment district shall maintain independent  
11 grand lists for municipal taxation, as well as independent processes for  
12 grievances, property valuation appeals, abatements, grand list filing, use value  
13 appraisal parcel management, reappraisal, and financial interaction with the  
14 Agency of Education, unless the Commissioner, in writing, authorizes the  
15 municipalities of an assessment district to consolidate all property valuation  
16 administrative functions.

17 Sec. 20. 32 V.S.A. § 6066a is amended to read:

18 § 6066a. DETERMINATION OF PROPERTY TAX ADJUSTMENTS

19 (a) Annually, the Commissioner shall determine the property tax  
20 adjustment amount under section 6066 of this title, related to a homestead  
21 owned by the claimant. The Commissioner shall notify the municipality in

1 which the housesite is located of the amount of the property tax adjustment for  
2 the claimant for homestead property tax liabilities, ~~on July 1 for timely filed~~  
3 ~~claims and on November 1 for late claims filed by October 15~~ on a monthly  
4 basis. The tax adjustment of a claimant who was assessed property tax by a  
5 town ~~which~~ that revised the dates of its fiscal year, however, is the excess of  
6 the property tax ~~which~~ that was assessed in the last 12 months of the revised  
7 fiscal year; over the adjusted property tax of the claimant for the revised fiscal  
8 year as determined under section 6066 of this title, related to a homestead  
9 owned by the claimant.

10 \* \* \*

11 (f) Property tax bills.

12 (1) For taxpayers and amounts stated in the notice to towns on or  
13 before July 1, municipalities shall create and send to taxpayers a homestead  
14 property tax bill, instead of the bill required under subdivision 5402(b)(1) of  
15 this title, providing the total amount allocated to payment of homestead  
16 education property tax liabilities and notice of the balance due.  
17 Municipalities shall apply the amount allocated under this chapter to current-  
18 year property taxes in equal amounts to each of the taxpayers' property tax  
19 installments that include education taxes. Notwithstanding section 4772 of  
20 this title, if a town issues a corrected bill as a result of the ~~November 1~~ notice  
21 sent by the Commissioner under subsection (a) of this section, issuance of

1 ~~such~~ the corrected new bill does not extend the time for payment of the  
2 original bill; nor relieve the taxpayer of any interest or penalties associated  
3 with the original bill. If the corrected bill is less than the original bill, and  
4 there are also no unpaid ~~current-year~~ current-year taxes, interest, or penalties  
5 and no ~~past-year~~ past-year delinquent taxes or penalties and interest charges,  
6 any overpayment shall be reflected on the corrected tax bill and refunded to  
7 the taxpayer.

8 \* \* \*

9 (g) ~~Annually, on August 1 and on November 1, the~~ The Commissioner of  
10 Taxes shall pay monthly to each municipality the amount of property tax  
11 adjustment of which the municipality was last notified ~~on July 1 for the~~  
12 ~~August 1 transfer, or November 1 for the November 1 transfer,~~ related to  
13 municipal property tax on homesteads within that municipality, as determined  
14 by the Commissioner of Taxes.

15 \* \* \* Insurance Taxes \* \* \*

16 Sec. 21. 32 V.S.A. § 8557 is amended to read:

17 § 8557. VERMONT FIRE SERVICE TRAINING COUNCIL

18 (a)(1) Sums for the expenses of the operation of training facilities and  
19 curriculum of the Vermont Fire Service Training Council not to exceed  
20 \$1,200,000.00 per year shall be paid to the Fire Safety Special Fund created by  
21 20 V.S.A. § 3157 by insurance companies, ~~including surplus lines companies,~~

1 writing fire, homeowners multiple peril, allied lines, farm owners multiple  
2 peril, commercial multiple peril (fire and allied lines), private passenger and  
3 commercial auto, and inland marine policies on property and persons situated  
4 within the State of Vermont within 30 days after notice from the  
5 Commissioner of Financial Regulation of such estimated expenses. Captive  
6 companies shall be excluded from the effect of this section.

7 (2) The Commissioner shall annually, on or before July 1, apportion  
8 such charges among all such companies and shall assess them for the ~~same~~  
9 charges on a fair and reasonable basis as a percentage of their gross direct  
10 written premiums on such insurance written during the second prior calendar  
11 year on property situated in the State. The Department of Taxes shall collect  
12 all assessments under this section.

13 (3) An amount not less than \$100,000.00 shall be specifically allocated  
14 to the provision of what are now or were formerly referred to as Level I, units  
15 I, II, and III (basic) courses for ~~entry-level~~ entry-level firefighters.

16 (4) An amount not less than \$150,000.00 shall be specifically allocated  
17 to the Emergency Medical Services Special Fund established under 18 V.S.A.  
18 § 908 for the provision of training programs for emergency medical  
19 technicians, advanced emergency medical technicians, and paramedics.

20 (5) The Department of Health shall present a plan to the Joint Fiscal  
21 Committee, which shall review the plan prior to the release of any funds.



1 chapter 151, including those relating to the collection and enforcement of the  
2 income tax by the Commissioner of Taxes, shall apply to this section.

3 Sec. 24. 8 V.S.A. § 5036 is amended to read:

4 § 5036. DIRECT PLACEMENT OF INSURANCE

5 (a) Every insured and every self-insurer in this State for whom this is their  
6 home state who procures or causes to be procured or continues or renews  
7 insurance from any ~~non-admitted~~ nonadmitted insurer, covering a subject  
8 located or to be performed within this State, other than insurance procured  
9 through a surplus lines broker pursuant to this chapter, shall, before March 1 of  
10 the year after the year in which the insurance was procured, continued, or  
11 renewed, file a written report with the Commissioner of Taxes on forms  
12 prescribed and furnished by the Commissioner of Taxes. The report shall  
13 show:

- 14 (1) the name and address of the insured or insureds;  
15 (2) the name and address of the insurer or insurers;  
16 (3) the subject of the insurance;  
17 (4) a general description of the coverage;  
18 (5) the amount of premium currently charged for it; and  
19 (6) such additional pertinent information as may be reasonably  
20 requested by the Commissioner of Taxes.

21 \* \* \*

1 (d) A tax at the rate of three percent of the gross amount of premium, less  
2 any return premium, in respect of risks located in this State, shall be levied  
3 upon an insured who procures insurance subject to subsection (a) of this  
4 section. Before March 1 of the year after the year in which the insurance was  
5 procured, continued, or renewed, the insured shall remit to the Commissioner  
6 of Taxes the amount of the tax. ~~The Commissioner before June 1 of each year~~  
7 ~~shall certify and transmit to the Commissioner of Taxes the sums so collected.~~

8 (e) ~~The tax shall be collectible from the insured by civil action brought by~~  
9 ~~the Commissioner~~ All administrative provisions of 32 V.S.A. chapter 151,  
10 including those relating to the collection and enforcement of the income tax by  
11 the Commissioner of Taxes, shall apply to this section.

12 \* \* \* Short-Term Rental Platform Reporting \* \* \*

13 Sec. 25. 32 V.S.A. § 9248 is amended to read:

14 § 9248. INFORMATIONAL REPORTING

15 The Department of Taxes shall collect information on operators from  
16 persons providing an Internet platform for the short-term rental of property for  
17 occupancy in this State if the persons providing a platform have not entered  
18 into a written agreement with the Department to collect and remit the tax  
19 imposed under this subchapter on behalf of operators using the platform. The  
20 information collected shall include any information the Commissioner shall  
21 require, and the name, address, and terms of the rental transactions of persons

1 acting as operators through the Internet platform. The failure to provide  
2 information as required under this section shall subject the person operating the  
3 Internet platform to a fine of \$5.00 for each instance of failure. The  
4 Commissioner is authorized to adopt rules and procedures to implement this  
5 section.

6 \* \* \* Appeal to Superior Court; Security \* \* \*

7 Sec. 26. 32 V.S.A. § 9275 is amended to read:

8 § 9275. APPEALS

9 Any person aggrieved by the decision of the Commissioner upon petition  
10 provided for in section 9274 of this title may, within 30 days after notice  
11 thereof from the Commissioner, appeal ~~therefrom~~ to the Superior Court of any  
12 county in which ~~such~~ the person has a place of business subject to this chapter.  
13 ~~The appellant shall give security, approved by the Commissioner, conditioned~~  
14 ~~to pay the tax levied, if it remains unpaid, with interest and costs. Such~~  
15 ~~appeals shall be preferred cases for hearing on the docket of such Court. Such~~  
16 ~~Court~~ The court may grant such relief as may be equitable and may order the  
17 State Treasurer to pay to the aggrieved taxpayer the amount of such relief with  
18 interest at the rate established pursuant to ~~32 V.S.A. § section~~ section 3108 of this title.  
19 Upon all such appeals ~~which may be~~ that are denied, costs may be taxed  
20 against the appellant at the discretion of the ~~Court~~ court, but no costs shall be  
21 taxed against the State.



1 Sec. 27. 32 V.S.A. § 9817 is amended to read:

2 § 9817. REVIEW OF COMMISSIONER'S DECISION

3 (a) Any aggrieved taxpayer may, within 30 days after any decision, order,  
4 finding, assessment, or action of the Commissioner made under this chapter,  
5 appeal to the Washington Superior Court or the Superior Court of the county in  
6 which the taxpayer resides or has a place of business. ~~The appellant shall give~~  
7 ~~security, approved by the Commissioner, conditioned to pay the tax levied, if it~~  
8 ~~remains unpaid, with interest and costs, as set forth in subsection (c) of this~~  
9 ~~section.~~

10 (b) The appeal provided by this section shall be the exclusive remedy  
11 available to any taxpayer for review of a decision of the Commissioner  
12 determining the liability of the taxpayer for the taxes imposed.

13 (c) ~~Irrespective of any restrictions on the assessment and collection of~~  
14 ~~deficiencies, the Commissioner may assess a deficiency after the expiration of~~  
15 ~~the period specified in subsection (a) of this section, notwithstanding that a~~  
16 ~~notice of appeal regarding the deficiency has been filed by the taxpayer, unless~~  
17 ~~the taxpayer, prior to the time the notice of appeal is filed, has paid the~~  
18 ~~deficiency, has deposited with the Commissioner the amount of the deficiency,~~  
19 ~~or has filed with the Commissioner a bond (which may be a jeopardy bond) in~~  
20 ~~the amount of the portion of the deficiency (including interest and other~~  
21 ~~amounts) in respect of which review is sought and all costs and charges which~~

1 ~~may accrue against the taxpayer in the prosecution of the proceeding, including~~  
2 ~~costs of all appeals, and with surety approved by the Superior Court,~~  
3 ~~conditioned upon the payment of the deficiency (including interest and other~~  
4 ~~amounts) as finally determined and all costs and charges. If as a result of a~~  
5 ~~waiver of the restrictions on the assessment and collection of a deficiency any~~  
6 ~~part of the amount determined by the Commissioner is paid after the filing of~~  
7 ~~the appeal bond, the bond shall, at the request of the taxpayer, be~~  
8 ~~proportionately reduced. [Repealed.]~~

9 \* \* \* Repeals \* \* \*

10 Sec. 28. REPEALS

11 The following sections in Title 32 are repealed:

12 (1) § 3777 (land use change tax lien subordination).

13 (2) § 5930z (business solar energy tax credit).

14 (3) § 8661 (taxation of electric generating plants).

15 \* \* \* Funding \* \* \*

16 Sec. 29. INTENT

17 It is the intent of the General Assembly that the revenue raised by the tax on  
18 e-cigarettes be transferred from the State Health Care Resources Fund to the  
19 General Fund in fiscal year 2019 to offset any revenue impact from the  
20 changes in this act to the first time homebuyer program, the downtown and  
21 village center tax credit, and the taxable meal exclusions.

\* \* \* Effective Dates \* \* \*

Sec. 30. EFFECTIVE DATES

This act shall take effect on passage, except:

(1) Notwithstanding 1 V.S.A. § 214, Sec. 25 (short-term rental platform reporting) shall take effect retroactively on July 1, 2017.

(2) Notwithstanding 1 V.S.A. § 214, Sec. 7a (income tax link to the federal tax statutes) shall take effect retroactively on January 1, 2017 and apply to taxable years beginning on January 1, 2017 and after.

(3) Notwithstanding 1 V.S.A. § 214, Secs. 3–6 (Vermont higher education investment plan credit), 12 (solar energy investment tax credit), 13 (minimum corporate income tax), and 28(2) (repeal of business solar energy tax credit) shall take effect retroactively on January 1, 2018 and apply to taxable years beginning on January 1, 2018 and after.

(4) Secs. 1 (municipal stormwater fees), 2 (Green Mountain Care Board billback formula), 2a (18 V.S.A. § 4754), 2c (18 V.S.A. § 4284), 2d (Substance Use Disorder Prevention, Treatment, and Recovery Fund appropriations), 8 (first time homebuyer program), 9 (downtown and village center tax credit), 10–10a (tax on e-cigarettes), and 11 (taxable meal exclusion) shall take effect on July 1, 2018.

(5) Secs. 14–20 (property tax sections) shall take effect on July 1, 2018 and apply to grand lists lodged after that date.

1           (6) Sec. 28(1) (repeal of land use change tax lien subordination) shall  
2           take effect on July 1, 2019.

3           (7) Sec. 2b (32 V.S.A. chapter 221) shall take effect on October 1, 2018,  
4           with the Department of Taxes sending its first quarterly ratable share invoice to  
5           manufacturers on or before January 15, 2019 based on each manufacturer's  
6           prescription opioids dispensed in Vermont during the period from October 1,  
7           2017 through December 31, 2017.