TO THE HONORABLE SENATE

The Committee on Finance to which was referred House Bill No. H. 922, entitled "An act relating to making numerous revenue changes"

respectfully reports that it has considered the same and recommends that the Senate propose to the House to amend the bill as follows:

First: After Sec. 2, by inserting a reader assistance heading and four new sections to be Secs. 2a, 2b, 2c, and 2d to read as follows:

* * * Assessment on Manufacturers of Prescription Opioids Dispensed in Vermont * * *

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

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

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

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

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

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

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

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

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

CHAPTER 221. ASSESSMENT ON MANUFACTURERS OF OPIOIDS DISPENSED IN VERMONT

§ 9001. DEFINITIONS

As used in this chapter:

(1) "Manufacturer" means any entity that is engaged in the production, preparation, propagation, compounding, conversion, or processing of prescription opioids, or a combination thereof, whether directly or indirectly by extraction from substances of natural origin, independently by means of

chemical synthesis, or by a combination of extraction and chemical synthesis, or any entity engaged in the packaging, repackaging, labeling, relabeling, or distribution of prescription opioids. The term does not include a wholesale distributor of prescription opioids, a retailer, or a pharmacist licensed under 26 V.S.A. chapter 36.

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

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

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

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

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

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

§ 9002. ASSESSMENT ON OPIOID MANUFACTURERS

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

(2) The annualized amount of revenue to be generated by the assessment each fiscal year shall be $3,100,000.00, provided that that amount may be modified at any time by the General Assembly based on the State's estimated funding needs for substance use disorder prevention, treatment, and recovery programs and activities.

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

(2) The Department of Taxes shall send an invoice to each manufacturer for the assessment amount due pursuant to this section quarterly.

Manufacturers of prescription opioids shall pay the assessment amount within 30 days following the date of the invoice.

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

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

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

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

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

§ 9003. ADMINISTRATION OF ASSESSMENT

(a) The Commissioner of Taxes shall administer and enforce this chapter and the assessment. The Commissioner may adopt rules under 3 V.S.A. chapter 25 to carry out such administration and enforcement.

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

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

(a) Within 60 days after the mailing of a notice of deficiency, denial, or reduction of a refund claim, or assessment of penalty or interest, a manufacturer may petition the Commissioner in writing for a determination of that deficiency, refund, or assessment. The Commissioner shall thereafter grant a hearing upon the matter and notify the manufacturer in writing of his or her determination concerning the deficiency, penalty, or interest. This is the exclusive remedy of a manufacturer with respect to these matters.

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

(c) Any aggrieved manufacturer may, within 30 days after a determination by the Commissioner concerning a notice of deficiency, an assessment of penalty or interest, or a claim to refund, appeal that determination to the

Washington Superior Court or to the Superior Court for any county in this State in which the manufacturer has a place of business.

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

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

(b) The Department of Health and the Department of Taxes shall enter into a memorandum of understanding regarding the terms by which the Department of Health shall provide the information described in subsection (a) of this section, including the timing and frequency of the data sharing, the format in which the data will be provided, and the measures to be established to ensure the confidentiality of the information provided to the Department of Taxes.

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

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

* * *

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

Sec. 2d. FISCAL YEAR 2019 APPROPRIATIONS; LEGISLATIVE INTENT FOR FUTURE FUNDING

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

(1) $188,000.00 to the Department for Children and Families to support and maintain mentoring and afterschool programs for children. It is the intent of the General Assembly to increase the funding for this purpose to $376,000.00 in fiscal year 2020.

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

fiscal year 2020.

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

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

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

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

Second: In Sec. 7, after the section heading "REPORT ON NONPOSTSECONDARY USE OF HIGHER EDUCATION INVESTMENT PLAN FUNDS" by striking out the word "The" and inserting in lieu thereof the following: As far as practicable, the

Third: After Sec. 7, by inserting a reader assistance heading and two new sections to be Secs. 7a and 7b to read as follows:

* * * Federal Income Tax Link and Report on Federal Tax Reform * * *

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

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect ~~for taxable year 2016~~ on December 31, 2017, but without regard to

federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the tax liability under this chapter.

Sec. 7b. FEDERAL TAX REFORM

On or before November, 15, 2018, the Office of Legislative Council, with the assistance of the Joint Fiscal Office and the Department of Taxes, shall report to the Joint Fiscal Committee, the Senate Committee on Finance, and the House Committee on Ways and Means on the federal and State implementation of changes necessitated by the Tax Cut and Jobs Act and shall identify potential areas for legislative or administrative reactions.

Fourth: In Sec. 11, amending 32 V.S.A. § 9202(10)(D), after ""Taxable meal" shall not include:", by striking out the following:

"* * *

(ii) Food or beverage, including that described in subdivision (10)(C) of this section:

(I) served or furnished on the premises of a nonprofit corporation or association organized and operated exclusively for religious or charitable purposes, in furtherance of any of the purposes for which it was organized; with the net proceeds of the food or beverage to be used exclusively for the purposes of the corporation or association; provided, however, if the organization or association is a fire department, as defined in 24 V.S.A. § 1951, or provides emergency medical services or first responder services, as defined under 24 V.S.A. § 2651, it is not necessary that the meal be served on the premises of the organization to qualify as an exclusion from "taxable meal" under this subdivision;"

Fifth: After Sec. 13, by inserting a reader assistance heading and two new sections to be Secs. 13a and 13b to read as follows:

* * * Publicly Traded Partnerships Income Tax Withholding Exemption * * *

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

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

~~Commissioner.~~

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

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

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

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

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

(5) If granted, the exemption for the lower-tier pass-through entity shall be effective for three years following the date the exemption is granted. At the end of the three-year period, the lower-tier pass-through entity of a publicly traded partnership shall submit a new exemption request to continue the exemption. The Commissioner may revoke the exemption for the lower-tier pass-through entity if the Commissioner determines that the lower-tier pass-through entity is not satisfying its tax payment and reporting obligations to the State with respect to income allocated, directly or indirectly, to nonresident partners or members that are not publicly traded partnerships.

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

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

Sixth: By striking out Sec. 19, 32 V.S.A. § 5402, in its entirety and inserting in lieu thereof the following:

[Deleted.]

Seventh: By striking out Sec. 21, 32 V.S.A. § 5405, in its entirety and inserting in lieu thereof the following:

[Deleted.]

Eighth: By striking out Sec. 31, Effective Dates, in its entirety and inserting in lieu thereof a new Sec. 31 to read as follows:

Sec. 31. EFFECTIVE DATES

This act shall take effect on passage, except:

(1) Notwithstanding 1 V.S.A. § 214, Sec. 27 (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, 2018 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 30(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 thereafter.

(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), 7b (tax reform report), 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. 14–21 (property tax sections) shall take effect on July 1, 2018 and apply to grand lists lodged after that date.

(6) Sec. 30(1) (repeal of land use change tax lien subordination) shall take effect on July 1, 2019.

(7) Sec. 2b (32 V.S.A. chapter 221) shall take effect on January 1, 2019, provided that the Department of Taxes may begin the rulemaking process prior to that date to ensure that on January 1, 2019 it is prepared to administer the assessment established in Sec. 2b.

(Committee vote: 6-1-0)

Senator Cummings
FOR THE COMMITTEE

H.922

An act relating to making numerous revenue changes

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

* * * Municipal Stormwater Fees * * *

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

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

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

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

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

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

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

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

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

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

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

* * * Green Mountain Care Board Billback Formula * * *

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

(h)(1) The Board may assess and collect from each regulated entity the actual costs incurred by the Board, including staff time and contracts for professional services, in carrying out its regulatory duties for health insurance rate review under 8 V.S.A. § 4062; hospital budget review under chapter 221, subchapter 7 of this title; and accountable care organization certification and budget review under section 9382 of this title.

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

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

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

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

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

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

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

(B) Expenses under subdivision (A)(iii) of this subdivision (2) shall be allocated to persons licensed under Title 8 based on premiums paid for health care coverage, which for the purposes of this subdivision (2) shall include major medical, comprehensive medical, hospital or surgical coverage, and comprehensive health care services plans, but shall not include long-term care, limited benefits, disability, credit or stop loss, or excess loss insurance coverage.

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

~~(2)~~(3) The Board may determine the scope of the incurred expenses to be allocated pursuant to the formula set forth in subdivision ~~(1)~~(2) of this

subsection if, in the Board's discretion, the expenses to be allocated are in the best interests of the regulated entities and of the State.

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

(4) If the amount of the proportional assessment to any entity calculated in accordance with the formula set forth in subdivision (2)(A) of this subsection would be less than $150.00, the Board shall assess the entity a minimum fee of $150.00. The Board shall apply the amounts collected based on the difference between each applicable entity's proportional assessment amount and $150.00 to reduce the total amount assessed to the regulated entities pursuant to subdivisions (2)(A)(ii)–(iv) of this subsection.

* * * 529 Plans * * *

Sec. 3. 16 V.S.A. § 2876 is amended to read:

§ 2876. DEFINITIONS

As used in this subchapter, except where the context clearly requires another interpretation:

* * *

(5) "Postsecondary education costs" means the qualified costs of tuition and fees and other expenses for attendance at an ~~institution of postsecondary education, as defined in the Internal Revenue Code~~ approved postsecondary education institution.

(6) ~~"Institution of postsecondary education"~~ "Approved postsecondary education institution" means ~~an institution as defined in the Internal Revenue Code~~ a postsecondary education institution as defined in section 2822 of this title.

* * *

Sec. 4. 16 V.S.A. § 2879a(a) is amended to read:

(a) Any participant may cancel a participation agreement at will, and any return of funds from the participant's account shall be subject to terms and conditions established by the Corporation, provided that any penalties levied as a result comply with the ~~Internal Revenue Code's~~ provisions of the Internal Revenue Code or Title 32 relating to Investment Plans.

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

§ 2879e. CONSTRUCTION AND APPLICATION

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

achieve this public purpose in compliance with the applicable provisions of the Internal Revenue Code, except to the extent the Code is inconsistent with the provisions of 32 V.S.A. § 5825a.

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

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

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

The Vermont Student Assistance Corporation shall report the amount of assets withdrawn by participants from the Vermont Higher Education Investment Plan in the preceding calendar year for education costs other than postsecondary education costs, as well as the total amount of assets withdrawn by participants in the preceding calendar year, to the House Committee on

Ways and Means and the Senate Committee on Finance annually on or before January 15.

* * * Tax Credit for Affordable Housing;

First Time Homebuyer Program * * *

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

§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

(a) As used in this section:

(1) "Affordable housing project" or "project" means:

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

(B) owner-occupied housing identified in 26 U.S.C. § 143(c)(1) or that qualifies under Vermont Housing Finance Agency criteria governing owner-occupied housing.

(2) "Affordable housing tax credits" means the tax credit provided by this subchapter.

(3) "Allocating agency" or "Agency" means the Vermont Housing Finance Agency.

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

(5) "Credit certificate" means a certificate issued by the allocating agency to a taxpayer that specifies the amount of affordable housing tax credits that can be applied against the taxpayer's individual or corporate income tax, or franchise, captive insurance premium, or insurance premium tax liability as provided in this subchapter.

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

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

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

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

(8) "Section 42 credits" means tax credit provided by 26 U.S.C. §§ 38 and 42.

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

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

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

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

(b) Eligible tax credit allocations.

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

(A) An eligible applicant may apply to the allocating agency for an allocation of affordable housing tax credits under this section related to an affordable multifamily rental housing project authorized by the allocating

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

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

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

(ii) The project has received community support.

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

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

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

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

(D) The Agency may assign its rights under any loan or grant made under subdivision (A) of this subdivision (b)(2) to the Vermont Housing and Conservation Board or any nonprofit organization qualifying under 26 U.S.C. § 501(c)(3) as long as such assignee acknowledges and agrees to comply with the provisions of this subdivision (b)(2).

(3) Down Payment Assistance Program.

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

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

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

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

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

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

(c) Amount of credit. A taxpayer ~~who makes an eligible cash contribution~~ shall be entitled to claim against the taxpayer's individual income, corporate, franchise, captive insurance premium, or insurance premium tax liability a credit in an amount specified on the taxpayer's credit certificate. The first-year allocation of a credit amount to a taxpayer shall also be deemed an allocation of the same amount in each of the following four years.

(d) Availability of credit. The amount of affordable housing tax credit ~~allocated with respect to a project~~ provided on the taxpayer's credit certificate

shall be available to the taxpayer every year for five consecutive tax years, beginning with the tax year in which the eligible cash contribution is made. Total tax credits available to the taxpayer shall be the amount of the first-year allocation plus the succeeding four years' deemed allocations.

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

(f) [Repealed.]

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

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

(B) $300,000.00 in total first-year credit allocations for loans or grants for owner-occupied unit financing or down payment loans as provided in subdivision (b)(2) of this section, consistent with the allocation plan, including for new construction and manufactured housing, for an aggregate

limit of $1,500,000.00 over any given five-year period that credits are available under this subdivision (B).

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

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

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

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

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

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

* * * Downtown and Village Center Tax Credit * * *

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

§ 5930ee. LIMITATIONS

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

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

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

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

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

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

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

* * * Tax on E-Cigarettes * * *

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

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

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

§ 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

There is hereby imposed and shall be paid a tax on all other tobacco products, snuff, and new smokeless tobacco possessed in the State of Vermont by any person for sale on and after July 1, 1959 which were imported into the State or manufactured in the State after that date, except that no tax shall be imposed on tobacco products sold under such circumstances that this State is without power to impose such tax, or sold to the United States, or sold to or by a voluntary unincorporated organization of the U.S. Armed Forces operating a

place for the sale of goods pursuant to regulations promulgated by the appropriate executive agency of the United States. The tax is intended to be imposed only once upon the wholesale sale of any other tobacco product and shall be at the rate of 92 percent of the wholesale price for all tobacco products except for any liquids, whether nicotine based or not, and single-use devices used with a tobacco substitute, as defined in 7 V.S.A. § 1001(8), which shall be taxed at a rate of 46 percent of the wholesale price, snuff, which shall be taxed at $2.57 per ounce, or fractional part thereof, new smokeless tobacco, which shall be taxed at the greater of $2.57 per ounce or, if packaged for sale to a consumer in a package that contains less than 1.2 ounces of the new smokeless tobacco, at the rate of $3.08 per package, and cigars with a wholesale price greater than $2.17, which shall be taxed at the rate of $2.00 per cigar if the wholesale price of the cigar is greater than $2.17 and less than $10.00, and at the rate of $4.00 per cigar if the wholesale price of the cigar is $10.00 or more. Provided, however, that upon payment of the tax within 10 days, the distributor or dealer may deduct from the tax two percent of the tax due. It shall be presumed that all other tobacco products, snuff, and new smokeless tobacco within the State are subject to tax until the contrary is established and the burden of proof that any other tobacco products, snuff, and new smokeless tobacco are not taxable hereunder shall be upon the person in possession thereof. Licensed wholesalers of other tobacco products, snuff, and new

smokeless tobacco shall state on the invoice whether the price includes the Vermont tobacco products tax.

* * * Taxable Meal Exclusions * * *

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

(D) "Taxable meal" shall not include:

* * *

(ii) Food or beverage, including that described in subdivision (10)(C) of this section:

(I) served or furnished on the premises of a nonprofit corporation or association organized and operated exclusively for religious or charitable purposes, in furtherance of any of the purposes for which it was organized; with the net proceeds of the food or beverage to be used exclusively for the purposes of the corporation or association; provided, however, if the organization or association is a fire department, as defined in 24 V.S.A. § 1951, or provides emergency medical services or first responder services, as defined under 24 V.S.A. § 2651, it is not necessary that the meal be served on the premises of the organization to qualify as an exclusion from "taxable meal" under this subdivision;

* * *

(iii) Food or beverage purchased for resale, provided that at the time of sale the purchaser provides the seller an exemption certificate in a form approved by the Commissioner. However, when the food or beverage

purchased for resale is subsequently resold, the subsequent purchase does not come within this exemption unless the subsequent purchase is also for resale and an exemption certificate is provided.

* * * Miscellaneous Tax Changes * * *

* * * Solar Energy Investment Income Tax Credit * * *

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

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

* * *

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

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

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

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

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

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

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

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

* * *

* * * Minimum Corporate Income Tax * * *

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

§ 5832. TAX ON INCOME OF CORPORATIONS

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

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

* * *

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

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

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

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

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

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

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

(f)(1) When the application for use value appraisal of agricultural land and forestland has been approved by the State, the State shall record a notice of contingent lien against the enrolled land in the land records of the municipality

~~that shall constitute a lien to secure payment of the land use change tax to the State upon development~~. The landowner shall bear the recording cost. The notice of contingent lien shall constitute notice to all interested parties that a lien against the enrolled land shall be created upon the recording in the land records of a determination that development of that land as defined in section 3752 of this chapter has occurred. The lien created by the recording of the notice of development shall be for the amount of the land use change tax then due, as specified in the notice of development. A lien recorded in the land records of a municipality under this section on or after April 17, 1978 shall be deemed to be a contingent lien.

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

(A) the land use change tax is paid;

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

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

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

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

~~(2)~~(3) ~~Nothing in this subsection shall be construed to allow the enrollment of agricultural land or managed forestland without a lien to secure payment of the land use change tax.~~ Any fees related to the release of a lien under this subsection shall be the responsibility of the owner of the land subject to the lien.

* * * Fee Waiver for Property Tax Appeals * * *

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

(a) A taxpayer or the ~~Selectboard~~ selectboard members of a town aggrieved by a decision of the board of civil authority under subchapter 1 of this chapter may appeal the decision of the board to either the Director or the Superior Court of the county in which the property is located. The appeal to the Superior Court shall be heard without a jury. The appeal to either the Director or the Superior Court shall be commenced by filing a notice of appeal pursuant to Rule 74 of the Vermont Rules of Civil Procedure, within 30 days ~~of~~ after entry of the decision of the board of civil authority. The date of mailing of notice of the board's decision by the town clerk to the taxpayer shall be deemed the date of entry of the board's decision. The town clerk shall transmit a copy of the notice to the Director or to the Superior Court as indicated in the notice and shall record or attach a copy of the notice in the grand list book. The entry fee for an appeal to the Director is $70.00; provided, however, that

the Director may waive, reduce, or refund the entry fee in cases of hardship or to join appeals regarding the same parcel.

* * * Land Gains Tax Affidavit * * *

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

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

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

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

(7) "Homestead":

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

* * *

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

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

* * *

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

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

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

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

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

(B) "Household income" does not mean:

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

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

* * * Aggregate Common Level of Appraisal and

Distribution of Property Tax Adjustments * * *

Sec. 19. 32 V.S.A. § 5402 is amended to read:

§ 5402. EDUCATION PROPERTY TAX LIABILITY

* * *

(b) The statewide education tax shall be calculated as follows:

(1) The Commissioner of Taxes shall determine for each municipality the education tax rates under subsection (a) of this section, divided by the municipality's most recent common level of appraisal. The legislative body in each municipality shall then bill each property taxpayer at the homestead or nonresidential rate determined by the Commissioner under this subdivision, multiplied by the education property tax grand list value of the property,

properly classified as homestead or nonresidential property and without regard to any other tax classification of the property. ~~Tax~~ Statewide education property tax bills shall show the tax due and the calculation of the rate determined under subsection (a) of this section, divided by the municipality's most recent common level of appraisal, multiplied by the current grand list value of the property to be taxed. Statewide education property tax bills shall also include language provided by the Commissioner pursuant to subsection 5405(g) of this title.

* * *

Sec. 20. 32 V.S.A. § 5403 is added to read:

§ 5403. ASSESSMENT DISTRICTS

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

(b) All municipalities merged into an assessment district shall agree to implement standardized assessment procedures approved by the Commissioner. The Commissioner shall provide written guidance to municipalities relating to how they may receive approval under this subsection.

(c) A vote to merge with an assessment district shall be binding on a municipality for five years. After five years, a municipality may vote at any

regular or special meeting to leave the assessment district, unless the assessment district has consolidated all administrative functions.

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

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

Sec. 21. 32 V.S.A. § 5405 is amended to read:

§ 5405. DETERMINATION OF EQUALIZED EDUCATION PROPERTY TAX GRAND LIST AND COEFFICIENT OF DISPERSION

* * *

(g) The Commissioner shall provide to municipalities for the front of property tax bills the district homestead property tax rate before equalization, the nonresidential tax rate before equalization, and the calculation process that creates the equalized homestead and nonresidential tax rates. The Commissioner shall further provide to municipalities for the back of property

tax bills an explanation of the common level of appraisal, including its origin and purpose.

Sec. 22. 32 V.S.A. § 6066a is amended to read:

§ 6066a. DETERMINATION OF PROPERTY TAX ADJUSTMENTS

(a) Annually, the Commissioner shall determine the property tax adjustment amount under section 6066 of this title, related to a homestead owned by the claimant. The Commissioner shall notify the municipality in which the housesite is located of the amount of the property tax adjustment for the claimant for homestead property tax liabilities~~, on July 1 for timely filed claims and on November 1 for late claims filed by October 15~~ on a monthly basis. The tax adjustment of a claimant who was assessed property tax by a town ~~which~~ that revised the dates of its fiscal year, however, is the excess of the property tax ~~which~~ that was assessed in the last 12 months of the revised fiscal year~~,~~ over the adjusted property tax of the claimant for the revised fiscal year as determined under section 6066 of this title, related to a homestead owned by the claimant.

* * *

(f) Property tax bills.

(1) For taxpayers and amounts stated in the notice to towns on or before July 1, municipalities shall create and send to taxpayers a homestead property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead

education property tax liabilities and notice of the balance due. Municipalities shall apply the amount allocated under this chapter to current-year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes. Notwithstanding section 4772 of this title, if a town issues a corrected bill as a result of the ~~November 1~~ notice sent by the Commissioner under subsection (a) of this section, issuance of ~~such~~ the corrected new bill does not extend the time for payment of the original bill~~,~~ nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid ~~current year~~ current-year taxes, interest, or penalties and no ~~past year~~ past-year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

* * *

(5) A statewide education property tax bill created under this section shall include language provided by the Commissioner pursuant to subsection 5405(g) of this title.

(g) ~~Annually, on August 1 and on November 1, the~~ The Commissioner of Taxes shall pay monthly to each municipality the amount of property tax adjustment of which the municipality was last notified ~~on July 1 for the August 1 transfer, or November 1 for the November 1 transfer,~~ related to

municipal property tax on homesteads within that municipality, as determined by the Commissioner of Taxes.

* * * Insurance Taxes * * *

Sec. 23. 32 V.S.A. § 8557 is amended to read:

§ 8557. VERMONT FIRE SERVICE TRAINING COUNCIL

(a)(1) Sums for the expenses of the operation of training facilities and curriculum of the Vermont Fire Service Training Council not to exceed $1,200,000.00 per year shall be paid to the Fire Safety Special Fund created by 20 V.S.A. § 3157 by insurance companies~~, including surplus lines companies,~~ writing fire, homeowners multiple peril, allied lines, farm owners multiple peril, commercial multiple peril (fire and allied lines), private passenger and commercial auto, and inland marine policies on property and persons situated within the State of Vermont within 30 days after notice from the Commissioner of Financial Regulation of such estimated expenses. Captive companies shall be excluded from the effect of this section.

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

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

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

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

(b) All administrative provisions of chapter 151 of this title, including those relating to the collection and enforcement of the income tax by the Commissioner, shall apply to this section.

Sec. 24. 8 V.S.A. § 5034 is amended to read:

§ 5034. QUARTERLY REPORTS; SUMMARY OF EXPORTED BUSINESS

On or before the end of each month next following each calendar quarter, each surplus lines broker shall file with the Commissioner of Taxes, on forms prescribed by him or her, a verified report of all surplus lines insurance transacted during the preceding calendar quarter.

Sec. 25. 8 V.S.A. § 5035 is amended to read:

§ 5035. SURPLUS LINES TAX

* * *

(b) At the time of filing his or her quarterly report with the Commissioner of Taxes, each surplus lines broker shall ~~file a duplicate report and~~ remit the premium tax due thereon to the Commissioner of Taxes.

(c) ~~If the tax collectible by a surplus lines broker under this section is not paid within the time prescribed, it shall be recoverable in a suit brought by the Commissioner against the surplus lines broker and the surety on the bond filed under section 4800 of this title~~ The Commissioner of Taxes shall collect the tax imposed by this section. All administrative provisions of 32 V.S.A. chapter 151, including those relating to the collection and enforcement of the income tax by the Commissioner of Taxes, shall apply to this section.

Sec. 26. 8 V.S.A. § 5036 is amended to read:

§ 5036. DIRECT PLACEMENT OF INSURANCE

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

(1) the name and address of the insured or insureds;

(2) the name and address of the insurer or insurers;

(3) the subject of the insurance;

(4) a general description of the coverage;

(5) the amount of premium currently charged for it; and

(6) such additional pertinent information as may be reasonably requested by the Commissioner of Taxes.

* * *

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

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

* * * Short-Term Rental Platform Reporting * * *

Sec. 27. 32 V.S.A. § 9248 is amended to read:

§ 9248. INFORMATIONAL REPORTING

The Department of Taxes shall collect information on operators from persons providing an Internet platform for the short-term rental of property for occupancy in this State <u>if the persons providing a platform have not entered into a written agreement with the Department to collect and remit the tax imposed under this subchapter on behalf of operators using the platform</u>. The information collected shall include any information the Commissioner shall require, and the name, address, and terms of the rental transactions of persons acting as operators through the Internet platform. The failure to provide information as required under this section shall subject the person operating the Internet platform to a fine of $5.00 for each instance of failure. The Commissioner is authorized to adopt rules and procedures to implement this section.

* * * Appeal to Superior Court; Security * * *

Sec. 28. 32 V.S.A. § 9275 is amended to read:

§ 9275. APPEALS

Any person aggrieved by the decision of the Commissioner upon petition provided for in section 9274 of this title may, within 30 days after notice thereof from the Commissioner, appeal ~~therefrom~~ to the Superior Court of any county in which ~~such~~ <u>the</u> person has a place of business subject to this chapter.

~~The appellant shall give security, approved by the Commissioner, conditioned to pay the tax levied, if it remains unpaid, with interest and costs.~~ Such appeals shall be preferred cases for hearing on the docket ~~of such Court~~. ~~Such Court~~ The court may grant such relief as may be equitable and may order the State Treasurer to pay to the aggrieved taxpayer the amount of such relief with interest at the rate established pursuant to ~~32 V.S.A. §~~ section 3108 of this title. Upon all such appeals ~~which may be~~ that are denied, costs may be taxed against the appellant at the discretion of the ~~Court~~ court, but no costs shall be taxed against the State.

Sec. 29. 32 V.S.A. § 9817 is amended to read:

§ 9817. REVIEW OF COMMISSIONER'S DECISION

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

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

(c) ~~Irrespective of any restrictions on the assessment and collection of deficiencies, the Commissioner may assess a deficiency after the expiration of the period specified in subsection (a) of this section, notwithstanding that a notice of appeal regarding the deficiency has been filed by the taxpayer, unless the taxpayer, prior to the time the notice of appeal is filed, has paid the deficiency, has deposited with the Commissioner the amount of the deficiency, or has filed with the Commissioner a bond (which may be a jeopardy bond) in the amount of the portion of the deficiency (including interest and other amounts) in respect of which review is sought and all costs and charges which may accrue against the taxpayer in the prosecution of the proceeding, including costs of all appeals, and with surety approved by the Superior Court, conditioned upon the payment of the deficiency (including interest and other amounts) as finally determined and all costs and charges. If as a result of a waiver of the restrictions on the assessment and collection of a deficiency any part of the amount determined by the Commissioner is paid after the filing of the appeal bond, the bond shall, at the request of the taxpayer, be proportionately reduced.~~ [Repealed.]

* * * Repeals * * *

Sec. 30. REPEALS

The following sections in Title 32 are repealed:

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

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

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

* * * Funding * * *

Sec. 30a. INTENT

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

* * * Effective Dates * * *

Sec. 31. EFFECTIVE DATES

This act shall take effect on passage, except:

(1) Notwithstanding 1 V.S.A. § 214, Sec. 27 (short-term rental platform reporting) shall take effect retroactively on July 1, 2017.

(2) 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 30(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 thereafter.

(3) Secs. 1 (municipal stormwater fees), 2 (Green Mountain Care Board billback formula), 8 (first time homebuyer program), 9 (downtown and village center tax credit), 10–10a (tax on e-cigarettes), and 11 (taxable meal exclusions) shall take effect on July 1, 2018.

(4) Secs. 14–22 (property tax sections) and 30(1) (repeal of land use change tax lien subordination) shall take effect on July 1, 2018 and apply to grand lists lodged after that date.