

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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S.100 Promotion of Affordable and Sustainable Housing

Senate Finance Committee strike all amendment

Secs. 2 and 3: Housing Help Surcharge and Allocation of Revenues

The \$2 per occupied night per room surcharge is estimated to raise \$6.6 million in new revenue in FY 2018 and \$7.4 million in FY 2019. The surcharge is repealed on July 1, 2038. The first \$2.5 million of the surcharge is transferred to VHFA to pay the interest on affordable housing bonds, notes and other obligations. Any remaining revenue shall be transferred into the Clean Water Fund – approximately \$4.1 million in FY 2018.

Sec. 14: Downtown Tax Credits

This section increases the cap by \$200,000 for the amount of downtown program tax credits that may be awarded annually from \$2.2 million to \$2.4 million beginning in FY 2018.

Sec. 15: Affordable Housing Tax Credits

This would expand to the captive insurance premiums tax the types of taxes which an affordable housing tax credit certificate may be used by a taxpayer who purchases one. Currently, these credits may be applied to personal or corporate income tax, bank franchise tax, and insurance premiums taxes.

Sections 16 – 18 Tax Increment Financing Districts (TIF)

These provisions allow 14 additional TIF districts to be approved by VEPC between the effective date of the act and July 1, 2024. The new TIF districts are limited to two per county and no municipality may have an additional TIF district approved until the municipality retires the all of the existing TIF(s) districts debt.