

1 S.94

2 Introduced by Senators Lyons and Balint

3 Referred to Committee on

4 Date:

5 Subject: Labor; taxation; development; remote workers; flexible workplaces

6 Statement of purpose of bill as introduced: This bill proposes to direct the  
7 State to enhance opportunities for remote work and workplace flexibility  
8 within State government, to create a tax credit for employers that adopt  
9 workplace flexibility and telecommuting programs, to direct the Secretary of  
10 State and government partners to design a system to simplify interactions with  
11 businesses that employ remote workers in Vermont, to expand and improve  
12 infrastructure and support for remote workers in Vermont, to direct the  
13 Secretary of Administration to examine the potential for establishing remote  
14 worksites that are available for use by both State and private-sector workers, to  
15 direct the Commissioner of Labor to develop a plan to expand educational and  
16 training programs that address skill shortages in Vermont's workforce, and to  
17 encourage the deployment of broadband Internet access in rural, high-cost  
18 areas of the State to promote economic development.

19 An act relating to promoting remote work and flexible work arrangements

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

2 Sec. 1. 32 V.S.A. chapter 151, subchapter 11O is added to read:

3 Subchapter 11O. Remote and Flexible Workplace Tax Credit

4 § 5930qq. REMOTE AND FLEXIBLE WORKPLACE TAX CREDIT

5 (a) As used in this section:

6 (1) “Employer” means an entity doing business at one or more physical  
7 locations in Vermont or that employs one or more employees that telecommute  
8 from a worksite located in Vermont for at least 130 workdays during a  
9 tax year.

10 (2) “Flexible work schedule” means a daily work schedule that contains  
11 certain required hours during which an employee must be present at work and  
12 designated hours before or after the required hours during which an employee,  
13 with the approval of his or her employer, may elect a time of arrival to work  
14 and departure from work.

15 (3) “Job-share” means a work arrangement in which two or more  
16 employees share one job, jointly assuming responsibility for the job’s output.

17 (4) “On-site or subsidized child care” means child and dependent care  
18 services that meet the following requirements:

19 (A) The services are provided at or near the employee’s workplace.

20 (B) The services are available for the entire period of the employee’s  
21 workday.

1           (C) The employer assumes a minimum of 25 percent of the cost of  
2 the services for each child or dependent of an employee that receives such  
3 services.

4           (5) “Part-time work” means a work arrangement in which an employee  
5 works more than 20 hours per week but fewer than 40 hours per week.

6           (6) “Qualified remote and flexible workplace program” means a  
7 program that permits employees to elect to participate in at least two of the  
8 following flexible work arrangements:

9           (A) flexible work schedule;

10          (B) job-share;

11          (C) part-time work;

12          (D) telecommuting; and

13          (E) onsite or subsidized child care.

14          (7) “Telecommute” means a work arrangement in which an employee  
15 works from the employee’s home or a workplace near the employee’s home  
16 instead of from the employer’s place of business. “Telecommute” does not  
17 include direct sales in which the employee is engaged in selling consumer  
18 products in a customer’s home or a location that is not a permanent retail  
19 establishment.

20          (b)(1) A tax credit against any tax liability under section 5822 or 5832 of  
21 this title is available to an employer with a qualified remote and flexible

1 workplace program. The credit shall be available for any tax year in which the  
2 employer maintains a qualified remote and flexible workplace program for the  
3 entire year or the credit may be carried forward to any of the three subsequent  
4 tax years.

5 (2) The credit shall be in the amount of \$250.00 for each full-time  
6 equivalent employee participating in the qualified remote and flexible  
7 workplace program plus ten percent of the employer's expenditures made  
8 pursuant to the program for onsite or subsidized child care and for equipment  
9 related to telecommuting.

10 (3) The credit, either alone or in combination with any other credit  
11 allowed by this chapter, shall not reduce the income tax liability of the  
12 employer by more than 80 percent.

13 (c)(1) To claim a credit pursuant to this section, an employer shall submit  
14 to the Agency of Commerce and Community Development documentation and  
15 any additional information requested by the Agency that is necessary to  
16 demonstrate compliance with the requirements set forth in subsection (b) of  
17 this section in the tax year for which the credit is claimed.

18 (2) The Agency, upon review and confirmation of the employer's  
19 eligibility for a credit, shall issue a credit certificate to the employer, who shall  
20 file the certificate with the Department of Taxes with its State income tax  
21 return for the applicable year.

1       (d) The Secretary of Commerce and Community Development shall adopt  
2       rules as necessary to implement this section.

3       (e) The Secretary of Commerce and Community Development shall report  
4       to the House Committee on Commerce and Economic Development and the  
5       Senate Committee on Economic Development, Housing and General Affairs  
6       on or before January 15 of each year regarding employee participation in the  
7       Remote and Flexible Workplace Tax Credit Program. The report shall include  
8       the following information:

9               (1) the number of employers participating in the program;

10              (2) the rate at which the participating employers are providing job-share,  
11              part-time work, flexible work schedules, telecommuting, and onsite or  
12              subsidized child care to their employees;

13              (3) the rate at which employees are participating in job-share, part-time  
14              work, flexible work schedule, telecommuting, and onsite or subsidized child  
15              care programs;

16              (4) the estimated average number of trips, miles, and hours of travel  
17              time saved annually by each employer that offers telecommuting to its  
18              employees;

19              (5) a summary of the efforts of employers to promote and encourage  
20              flexible work arrangements; and

1           (6) an evaluation of the effectiveness of employers' efforts to promote  
2           and encourage flexible work arrangements.

3           Sec. 2. PROMOTION OF REMOTE AND FLEXIBLE WORK OPTIONS  
4                           IN STATE GOVERNMENT; REPORT

5           (a) The Secretary of Administration shall, on or before January 1, 2018,  
6           develop and implement a program to expand flexible work options for State  
7           employees, including telecommuting, part-time work, job-share, and flexible  
8           work schedules. The program shall be designed to achieve the following  
9           goals:

10                   (1) increase employee efficiency and productivity;

11                   (2) enhance employee work-life balance;

12                   (3) promote employee involvement in family, community, and civic  
13           activities;

14                   (4) benefit the environment; and

15                   (5) reduce demands on transportation infrastructure and parking at  
16           State offices.

17           (b) The Secretary shall require all State agencies and departments to  
18           implement the program on or before July 1, 2018.

19           (c) Nothing in this section shall be construed to amend or modify any  
20           collective bargaining agreement to which the State is a party. Nothing in this

1 section shall be construed to diminish the State's obligation to comply with  
2 any collective bargaining agreement to which it is a party.

3 (d) The Secretary shall report, on or before January 15, 2020, to the House  
4 Committees on General, Housing and Military Affairs and on Government  
5 Operations and the Senate Committees on Economic Development, Housing  
6 and General Affairs and on Government Operations regarding the effectiveness  
7 of the program at achieving the goals set forth in subsection (a) of this section  
8 and any recommendations for legislative action to further promote those goals.

9 The Secretary's report shall also include:

10 (1) the number of regular part-time employees currently employed by  
11 the State and the percentage of the State's total workforce it represents;

12 (2) the number of State employees that are participating in a job-share  
13 and the percentage of the State's total workforce it represents;

14 (3) the number of State employees that have a flexible work schedule  
15 and the percentage of the State's total workforce it represents;

16 (4) the number of State employees that telecommute and the percentage  
17 of the State's total workforce it represents;

18 (5) the program's policies and guidelines for State employees that wish  
19 to participate in the program; and

20 (6) plans to increase the amount and scope of flexible work options  
21 available to employees across State government.

1       (e) As used in this section:

2               (1) “Flexible work schedule” means a daily work schedule which  
3 contains certain required hours during which an employee must be present at  
4 work and designated hours before or after the required hours during which an  
5 employee, with the approval of his or her employer, may elect a time of arrival  
6 to work and departure from work.

7               (2) “Job-share” means a work arrangement in which two or more  
8 employees share one job, jointly assuming responsibility for the job’s output.

9               (3) “Part-time work” means a work arrangement in which an employee  
10 works more than 20 hours per week but fewer than 40 hours per week.

11              (4) “Telecommuting” means a work arrangement in which an employee  
12 works from the employee’s home or a workplace near the employee’s home  
13 instead of from the employee’s principal workplace.

14       Sec. 3. SIMPLIFYING GOVERNMENT FOR BUSINESSES WITH  
15               REMOTE WORKERS

16              (a) On or before January 15, 2018, the Secretary of Administration and the  
17 Secretary of State, in collaboration with the Department of Labor, the Agency  
18 of Commerce and Community Development, the Department of Taxes, and  
19 other stakeholders, shall design a system that:

1           (1) enhances the State’s website to simplify registration and offer a clear  
2           compilation of State permitting rules to businesses that employ remote workers  
3           in Vermont;

4           (2) creates a single, simple mechanism for making payments to the  
5           State, by allowing a person to pay amounts he or she owes to the State for  
6           taxes, fees, or other charges, through a single portal on the State’s website or to  
7           a single recipient within government;

8           (3) creates a single, simple mechanism for a business that employs  
9           remote workers in Vermont to satisfy annual filing requirements by allowing a  
10          person to make a single filing through a portal on the State website or to a  
11          single recipient within government and to check a box if nothing substantive  
12          has changed from the prior year; and

13          (4) provides more direct support to businesses that employ remote  
14          workers in Vermont, whether by designating an existing position or creating a  
15          new position within either the Office of the Secretary of State or another  
16          government entity, to offer technical guidance, information, and other support  
17          to persons who are forming or operating a business that employs remote  
18          workers in Vermont.

19          (b) The Secretary of Administration shall submit the proposal to the  
20          General Assembly on or before December 15, 2017. The proposal shall  
21          identify any opportunities to streamline requirements related to permitting,

1 registration, and payment of taxes and fees, as well as and reduce the  
2 administrative burden on both businesses that employ remote workers in  
3 Vermont and the State. The report shall also include any recommendations for  
4 legislative action necessary to implement the new system.

5 Sec. 4. IMPROVING INFRASTRUCTURE AND SUPPORT FOR REMOTE  
6 WORK IN VERMONT; STUDY; REPORT

7 (a) The Secretary of Commerce and Community Development, in  
8 consultation with the Commissioners of Labor, of Public Service, and of  
9 Buildings and General Services, and other interested stakeholders, shall  
10 identify and examine the infrastructural improvements and other support  
11 needed to enhance the ability of businesses to establish a remote presence in  
12 Vermont and to allow Vermonters and businesses developing from generator  
13 spaces to work and provide services remotely.

14 (b) Based on his or her findings, and in consultation with the  
15 Commissioners of Labor, of Public Service, and of Buildings and General  
16 Services, and other interested stakeholders, the Secretary shall develop a  
17 program to address the needs identified pursuant to subsection (a) of this  
18 section. Specifically, the program shall:

19 (1) address the infrastructural needs of remote workers and businesses  
20 developing from generator spaces;

- 1           (2) promote and facilitate the use of remote worksites and generator  
2 spaces;  
3           (3) encourage out-of-state companies to use remote workers in Vermont;  
4           (4) reduce the administrative and regulatory burden on businesses  
5 employing remote workers in Vermont; and  
6           (5) increase the ease of start-up companies finding remote work or  
7 generator spaces in the State.

8           (c) On or before January 15, 2018, the Secretary shall submit a written  
9 report detailing his or her findings, plan, and any recommendations for  
10 legislative action to implement the plan to the House Committee on Commerce  
11 and Economic Development and the Senate Committee on Economic  
12 Development, Housing and General Affairs.

13       Sec. 5. INTEGRATED PUBLIC-PRIVATE STATE WORKSITES

14           The Secretary of Administration, in consultation with the Secretary of  
15 Commerce and Community Development and the Commissioner of Buildings  
16 and General Services, shall examine the potential for the State to establish  
17 remote worksites that are available for use by both State employees and remote  
18 workers in the private sector. The Secretary shall examine the feasibility of  
19 and potential funding models for the worksites. On or before January 15,  
20 2018, the Secretary shall submit a written report to the House Committee on  
21 Commerce and Economic Development and the Senate Committee on

1 Economic Development, Housing and General Affairs detailing his or her  
2 findings and any recommendations for legislative action.

3 Sec. 6. IMPROVEMENT OF TARGETED WORKFORCE EDUCATIONAL  
4 OPPORTUNITIES

5 The Commissioner of Labor, in consultation with the Secretary of  
6 Education, the President of the University of Vermont and State Agricultural  
7 College, the Chancellor of the Vermont State Colleges, the Vermont  
8 Association of Career and Technical Education Directors, representatives of  
9 Vermont employers and workforce educational organizations, and other  
10 interested stakeholders shall identify skilled occupations for which there is a  
11 current or projected shortage of workers in Vermont, and create a plan to  
12 develop, expand, and prioritize educational programs, including undergraduate  
13 and graduate degree and certificate programs, continuing education, career and  
14 technical education, and internships, that will provide the skills necessary for  
15 the occupations identified. On or before January 15, 2018, the Commissioner  
16 shall submit a written report to the General Assembly detailing his or her  
17 findings and plan, and any recommendations for legislative action necessary to  
18 implement the plan.

19 Sec. 7. RURAL WORKFORCE BROADBAND PROGRAM

20 (a) The Secretary of Commerce and Community Development, in  
21 consultation with the Director for Telecommunications and Connectivity, shall

1 develop a rural workforce broadband program. The purpose of the program  
2 shall be to encourage the deployment of broadband Internet access in rural,  
3 high-cost areas of the State to promote economic development. Specifically,  
4 the program shall:

5 (1) provide time-limited financial assistance to remote workers for  
6 access to digital devices, broadband Internet connections, and local content and  
7 services, such as business software and applications;

8 (2) be funded through Vermont's Universal Service Fund;

9 (3) to the greatest extent possible and for the purpose of finding least-  
10 cost alternatives, encourage connections with existing fiber optic networks,  
11 such as the network owned by the Vermont Electric Power Co., Inc. (VELCO);

12 (4) ensure that funding under the program is used only to support  
13 Internet service capable of upload and download speeds necessary to  
14 adequately support a remote workforce;

15 (5) reflect eligibility criteria that ensure funds are used in a manner that  
16 will achieve the greatest economic benefit in Vermont communities that  
17 currently do not have universal access to broadband Internet service; and

18 (6) include any other standards or criteria necessary to achieve the  
19 purpose of the program.

1        (b) On or before December 1, 2017, the program developed pursuant to this  
2        section shall be submitted to the General Assembly jointly by the Secretary  
3        and the Director in the form of draft legislation.

4        Sec. 8. EFFECTIVE DATE

5        This act shall take effect on July 1, 2017.