

H.516: Miscellaneous Tax Bill

Conference Committee

May 18, 2017

Sec.	As passed the House	Sec.	Senate Proposal of Amendment	Sec.	Conference proposal
	Administrative and technical provisions				
1	Removes Commissioner of Taxes from requirement to make rules on administration and collection of the tax on spirits and fortified wines.		No change	1	No change
2	Requires town clerks to report new listers to PVR electronically, not in writing.		No change	2	No change
3	Amends confidentiality section in Title 32 to allow Department of Taxes to share return information with DFR (for surplus lines, insurance premium, and direct placement tax) and ANR (solid waste and hazardous waste tax). Expands application of definitions in 32 V.S.A. § 3102 to entire chapter on administration.		No change	3	No change
4	Changes due date of S Corp returns to mirror due date for minimum tax payments under 32 V.S.A. § 5915, which was linked to the federal filing requirement under 26 U.S.C. § 6072(b) in 2016 Acts and Resolves No. 134, Sec. 14.		No change	4	No change

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5	No longer requires Commissioner to distribute paper copies of meals and rooms returns, but allows taxpayer to request them.		No change	5	No change
6	Restricts the type of information on a property transfer tax return that the Commissioner may disclose. Specifically prohibits disclosure of social security number, federal taxpayer numbers, email addresses or phone numbers.		No change	6	No change
7	Adopts federal income tax laws in effect for tax year 2016 for the purpose of computing Vermont tax liability.		No change	7	No change
8	Reinserts subsection (c) which was inadvertently deleted in 2016 Acts and Resolves No. 146, Sec. 2 (estate tax). Made effective retroactively to 1/1/16 to be consistent with the effective date in that act.		No change	8	No change
9	Clarifies definition of net patient revenue for purposes of calculating the ambulance agency assessment.		No change	9	No change
10	Provides a statutory purpose for the property tax exemption for ski lifts and equipment.		No change	10	No change

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11	Requires the Commissioner to establish a system for background checks for prospective employees and contractors who handle federal tax information.	11	Establishes a system for Department of Taxes, Agency of Human Services, Department of Motor Vehicles, and Department of Labor to conduct background checks for prospective and current employees and contractors who handle federal tax information.	11	[No resolution] Language retains Senate scope, but applies to prospective employees only, not current employees.
					Property taxes; reporting foregone TIF revenue
				11a	[House proposed. No resolution.] Adds House language. Requires an estimate of Education Fund revenue of impact from tax increment financing districts.
	Games of Chance – Move Licensing from Tax to DLC				
12	Amends references to games of chance in Title 13 by replacing references to Title 32 with references to Title 31.		No change	12	No change
13	Creates a new chapter in Title 31 giving regulatory authority over break open tickets to the Department of Liquor Control. Language requires nonprofit organizations to buy tickets directly from distributors and file		Adds language requiring an annual certification from nonprofits regarding how they qualify for nonprofit status, and extending reporting requirement to all nonprofits that sell break-open tickets, except clubs, that sell break-	13	[Agreed.] Senate position.

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	quarterly information reports with the Department of Liquor Control. Otherwise, the language is same as existing language in Title 32, except rulemaking authority is discretionary.		open tickets.		
					Adjusted Gross Income
				13a	[No resolution.] House Sec. 18 moved to Sec. 13a. Adds technical changes from House language.
	Health Care Provisions; Health Care Information Technology Fund				
14	The sunset on the funding for the health care information technology fund from the health care claims tax is extended one year, until 7/1/18.		No change	14	No change
15	Require a report from AHS on the Health Care Information Technology Fund.		Adds language requiring the study of VITL's core mission, use of staff, and health information technology efforts in other states.	15	[Agreed.] Senate position.
					Health Care Provisions; Green Mountain Care Board bill back allocation
				15a	[Agreed.] House position. Alters the percentages for fiscal

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					year 2018 bill backs to the GMCB.
	Health Care Provisions; Employer Assessment				
16-17	Moves regulation of the employer assessment from the Department of Labor to the Department of Taxes. Adds language allowing JFO the same access to employer assessment data, as when it was regulated by Labor.		No change	16-17	No change
	Income Taxes; Adjusted Gross Income				
18	Adopts federal adjusted gross income as the base for Vermont's personal income tax, with changes that otherwise retain current law.		Removed.	13a	[No resolution.]
			Health Care Provisions; Provider Taxes		
		18a-18d	Incorporates a H.386, which makes changes to how the provider tax for home health agencies is calculated. Changes the base and rate of the tax, in a revenue-neutral manner.	18-18c	[Agreed.] Senate position.
	Sales tax; aircraft				
19	Amends the current sales tax exemption for aircraft to exclude drones.		No change	19	No change, except effective date September 1, 2017.
	Strategies for Increased Collections				
20	Reduces and caps the amount of use tax a taxpayer may elect to pay on		No change	20	No change

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	their income tax return.				
21	Directs Department of Taxes to take steps to increase use tax compliance.		No change	21	No change
22	Adds a State-level reporting requirement for third-party settlement organizations, requiring them to report transactions of greater than \$600.		No change	22	No change
23	Adds a reporting requirement for noncollecting vendors under the sales tax. Under the changes, noncollecting vendors will need to send annual sales information to the Department of Taxes, as well as the consumer.		No change	23	No change
24	Directs the Department of Taxes to increase tax collection efforts.		No change	24	No change
		24a	Requires Tax Department to convene a small business working group to help aid with compliance questions.	24a	[No resolution.]
Clean Water					
25	Requires the Treasurer to report on the viability of a revenue bond as a source of clean water funding.		No change	25	No change
26	Convenes a Clean Water Working Group to make recommendations for clean water funding.		Specifies the membership and issues for the working group to study.	26	[No resolution.] Senate proposing new language.
		26a	Extend Clean Water Surcharge sunset one year, until July 1, 2019.		[No resolution. May be resolved separately in

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					S.100.]
			Property tax appeals		
		27-29	Removes the 1% limitation on current property tax appeal adjustments, and replaces it with an annual cap of \$1,000,000 for total reimbursements. Creates a study group to report on municipal litigation assistance. Requires Tax Department to report back in three years on the costs of the new reimbursement system.	27-29	[No resolution.] New language places a \$100,000 statewide cap on claims for reimbursements.
		29a	Reimburses Town of Georgia for an error on its grand list.	29a	[No resolution.]
			Premium tax credit; captive insurance companies		
		30	Changes the calculation of the captive insurance premium tax credit to allow a lower credit over more years.	30	[Agreed.] Senate position.
			Note: Secs. 31-52 inserts the entire contents of S.135, as passed the Senate.		[Agreed.] [Removed from bill.] House position.
	Repeal				
27	Repeals the chapter in Title 32 giving Department of Taxes the power to regulate break out tickets, and repeals a requirement that the form for the payment of the land gains tax set out the penalties in large type. Repeals		Removes language extending Clean Water Surcharge indefinitely. See Sec. 26a.	28	[No resolution. May be resolved in S.100.]

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	older sections of law which will permit the current sales tax exemption for commercial aircraft, and commercial and private aircraft parts, to continue. Repeals current employer assessment language that has regulation done by the Department of Labor.				
	Effective Dates				
28	Effective on passage with exceptions.	53	Changes in effective date section to reflect changes in the amendment.	29	Changes to reflect above changes.