

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 516
3 entitled “An act relating to miscellaneous tax changes” respectfully reports that
4 it has considered the same and recommends that the Senate propose to the
5 House that the bill be amended as follows:

6 First: By striking out the reader assistance heading before Sec. 1, and
7 inserting in lieu thereof a new reader assistance heading to read as follows:

8 * * * Administrative and Technical Provisions * * *

9 and by striking the reader assistance heading between Sec. 1 and Sec. 2

10 Second: By striking out Sec. 11 in its entirety and inserting in lieu thereof a
11 new Sec. 11 to read as follows:

12 Sec. 11. 3 V.S.A. chapter 10 is added to read:

13 CHAPTER 10. FEDERAL TAX INFORMATION

14 § 241. BACKGROUND INVESTIGATIONS

15 (a) “Federal tax information” or “FTI” means returns and return
16 information as defined in 26 U.S.C. § 6103(b) that are received directly from
17 the Internal Revenue Service or obtained through an IRS-authorized secondary
18 source, that are in the Recipient’s possession or control, and that are subject to
19 the confidentiality protections and safeguarding requirements of the Internal
20 Revenue Code and corresponding federal regulations and guidance.

1 (b) As used in this chapter, “Recipient” means the following authorities of
2 the Executive Branch of State government that receive FTI:

3 (1) Agency of Human Services, including:

4 (A) Department for Children and Families;

5 (B) Department of Health;

6 (C) Department of Mental Health; and

7 (D) Department of Vermont Health Access.

8 (2) Department of Labor.

9 (3) Department of Motor Vehicles.

10 (4) Department of Taxes.

11 (c) The Recipient shall conduct an initial background investigation of any
12 individual, including a current or prospective employee, volunteer, contractor,
13 or subcontractor, to whom the Recipient permits access to FTI for the purpose
14 of assessing the individual’s fitness to be permitted access to FTI. The
15 Recipient shall conduct, every 10 years at a minimum, periodic background
16 investigations of employees or other individuals to whom the Recipient
17 permits access to FTI.

18 (d) The Recipient shall request and obtain from the Vermont Crime
19 Information Center (VCIC) the Federal Bureau of Investigation and State and
20 local law enforcement criminal history records based on fingerprints for the
21 purpose of conducting a background investigation under this section.

1 (e) The Recipient shall sign and keep a user agreement with the VCIC.

2 (f) A request made under subsection (d) of this section shall be
3 accompanied by a release signed by the individual on a form provided by the
4 VCIC, a set of the individual’s fingerprints, and a fee established by the VCIC
5 that shall reflect the cost of obtaining the record. The fee for a current or
6 prospective employee shall be paid by the Recipient. The release form to be
7 signed by the individual shall include a statement informing the individual of:

8 (1) the right to challenge the accuracy of the record by appealing to the
9 VCIC pursuant to rules adopted by the Commissioner of Public Safety; and

10 (2) the Recipient’s policy regarding background investigations and the
11 maintenance and destruction of records.

12 (g) Upon completion of a criminal history record check under subsection
13 (d) of this section, the VCIC shall send to the Recipient either a notice that no
14 record exists or a copy of the record. If a copy of a criminal history record is
15 received, the Recipient shall forward it to the individual and shall inform the
16 individual in writing of:

17 (1) the right to challenge the accuracy of the record by appealing to the
18 VCIC pursuant to rules adopted by the Commissioner of Public Safety; and

19 (2) the Recipient’s policy regarding background investigations and the
20 maintenance and destruction of records.

1 (h) Criminal history records and information received under this chapter
2 are exempt from public inspection and copying under the Public Records Act
3 and shall be kept confidential by the Recipient, except to the extent that federal
4 or State law authorizes disclosure of such records or information to specifically
5 designated persons.

6 (i) The Recipient shall adopt policies in consultation with the Department
7 of Human Resources to carry out this chapter and to guide decisions based on
8 the results of any background investigation conducted under this chapter. Prior
9 to adoption, the policies shall be negotiated with the Vermont State Employees'
10 Association.

11 § 242. RAP BACK PROGRAM

12 The Recipient may request the Vermont Crime Information Center (VCIC)
13 to provide Federal Bureau of Investigation “Rap Back” background
14 investigation services based on fingerprints for the purpose of assessing the
15 fitness of an individual with access to FTL, including a current employee,
16 volunteer, contractor, or subcontractor, to continue to be permitted access to
17 FTL. A Rap Back investigation authorized under this section may be requested
18 upon:

19 (1) obtaining informed written consent from the individual to authorize
20 the retention of fingerprints for future background investigation purposes;

1 (2) creating sufficient controls and processes to protect the
2 confidentiality and privacy of the records and information received;

3 (3) notifying the individual in a timely manner of new records and
4 information received; and

5 (4) notifying the individual of the background investigation policy
6 established by the Recipient in consultation with the Department of Human
7 Resources.

8 Third: In Sec. 13, 31 V.S.A. chapter 23, in subdivision 1201(5), by adding
9 a third sentence to read as follows:

10 An organization shall be considered a nonprofit organization under this
11 subdivision only if it certifies annually, on a form with whatever information is
12 required by the Commissioner, how it meets the definition under this
13 subdivision.

14 and in section 1203, by striking subsection (f) in its entirety, and inserting in
15 lieu thereof a new subsection (f) to read as follows:

16 (f) A nonprofit organization that sells break-open tickets, other than a club
17 as defined in 7 V.S.A. § 2(7), shall report to the Department of Liquor Control
18 on a quarterly basis the number of tickets purchased and distributed, and the
19 corresponding serial numbers of those tickets, the amount of revenue realized
20 by the nonprofit organization, and the amounts accounted for under
21 subdivisions (e)(2)(A)–(D) of this section. The nonprofit organization shall

1 also identify an individual from the organization responsible for the reporting
2 requirements under this subsection. If the Department of Liquor Control
3 determines that a nonprofit organization has failed to comply with the
4 requirements of this subsection, the Department of Liquor Control shall notify
5 the nonprofit organization and any licensed distributors of this failure, and any
6 licensed distributor that continues to sell break-open tickets to that nonprofit
7 organization after notice shall be considered in violation of the requirements of
8 this chapter, until the Department of Liquor Control has determined the
9 nonprofit organization is back in compliance with this subsection.

10 Fourth: By striking out Sec. 15 (health information technology report) in its
11 entirety, and inserting in lieu thereof a new Sec. 15 to read as follows:

12 Sec. 15. HEALTH INFORMATION TECHNOLOGY REPORT

13 (a) The Secretaries of Administration and of Human Services shall conduct
14 a comprehensive review of the State's Health-IT Fund established by
15 32 V.S.A. § 10301, Health Information Technology Plan established by
16 18 V.S.A. § 9351, and Vermont Information Technology Leaders administered
17 pursuant to 18 V.S.A. § 9352.

18 (b) The report shall:

19 (1) review the need for a State-sponsored Health-IT Fund;

1 (2) review how past payments from the Fund have or have not promoted
2 the advancement of health information technology adoption and utilization in
3 Vermont;

4 (3) review the past development, approval process, and use of the
5 Vermont Health Information Technology Plan;

6 (4) review the Vermont Information Technology Leaders (VITL)
7 organization, including:

8 (A) its maintenance and operation of Vermont’s Health Information
9 Exchange (VHIE);

10 (B) the organization’s ability to support current and future health care
11 reform goals;

12 (C) defining VITL’s core mission;

13 (D) identifying the level of staffing necessary to support VITL in
14 carrying out its core mission; and

15 (E) examining VITL’s use of its staff for activities outside its core
16 mission;

17 (5) recommend whether to continue the Health-IT Fund, including with
18 its current revenue source as set forth in 32 V.S.A § 10402;

19 (6) recommend any changes to the structure of VITL, including whether
20 it should be a public or private entity, and any other proposed modifications to
21 18 V.S.A § 9352;

1 (7) review property and ownership of the VHIE, including identifying
2 all specific tangible and intangible assets that comprise or support the VHIE
3 (especially in regards to VITL’s current and previous agreements with the
4 State), and the funding sources used to create this property;

5 (8) evaluate approaches to health information exchange in other states,
6 including Maine and Michigan, in order to identify opportunities for reducing
7 duplication in Vermont’s health information exchange infrastructure; and

8 (9) recommend any accounting or financial actions the State should take
9 regarding State-owned tangible and intangible assets that comprise or support
10 the VHIE.

11 (c) On or before November 15, 2017, the Secretaries of Administration and
12 of Human Services shall submit this report to the House Committees on Health
13 Care, on Appropriations, on Energy and Technology, and on Ways and Means
14 and the Senate Committees on Health and Welfare, on Appropriations, and on
15 Finance.

16 Fifth: By striking out Sec. 18 in its entirety and inserting in lieu thereof a
17 reader assistance and five new sections to be Secs. 18–18d to read as follows:

18 * * * Health Care Provisions; Home Health Agency Provider Tax * * *

19 Sec. 18. 33 V.S.A. § 1951 is amended to read:

20 § 1951. DEFINITIONS

21 As used in this subchapter:

1 (1) “Assessment” means a tax levied on a health care provider pursuant
2 to this chapter.

3 (2)(A) “~~Core home~~ Home health care services” means any of the
4 following:

5 (i) those medically necessary, intermittent, skilled ~~nursing, home~~
6 ~~health aide, therapeutic, and personal care attendant services, provided~~
7 ~~exclusively in the home by home health agencies. Core home health services~~
8 ~~do not include private duty nursing, hospice, homemaker, or physician~~
9 ~~services, or services provided under early periodic screening, diagnosis, and~~
10 ~~treatment (EPSDT), traumatic brain injury (TBI), high technology programs,~~
11 ~~or services provided by a home for persons who are terminally ill as defined in~~
12 ~~subdivision 7102(3) of this title~~ home health services provided by Medicare-
13 certified home health agencies of the type covered under Title XVIII
14 (Medicare) or XIX (Medicaid) of the Social Security Act;

15 (ii) services covered under the adult and pediatric High
16 Technology Home Care programs as of January 1, 2015;

17 (iii) personal care, respite care, and companion care services
18 provided through the Choices for Care program contained within Vermont’s
19 Global Commitment to Health Section 1115 demonstration; and

20 (iv) hospice services.

1 (B) The term “home health services” shall not include any other
2 service provided by a home health agency, including:

3 (i) private duty services;

4 (ii) case management services, except to the extent that such
5 services are performed in order to establish an individual’s eligibility for
6 services described in subdivision (A) of this subdivision (2);

7 (iii) homemaker services;

8 (iv) adult day services;

9 (v) group-directed attendant care services;

10 (vi) primary care services;

11 (vii) nursing home room and board when a hospice patient is in a
12 nursing home; and

13 (viii) health clinics, including occupational health, travel, and flu
14 clinics.

15 (C) The term “home health services” shall not include any services
16 provided by a home health agency under any other program or initiative unless
17 the services fall into one or more of the categories described in subdivision (A)
18 of this subdivision (2). Other programs and initiatives include:

19 (i) the Flexible Choices or Assistive Devices options under the
20 Choices for Care program contained within Vermont’s Global Commitment to
21 Health Section 1115 demonstration;

1 (ii) services provided to children under the early and periodic
2 screening, diagnostic, and treatment Medicaid benefit;

3 (iii) services provided pursuant to the Money Follows the Person
4 demonstration project;

5 (iv) services provided pursuant to the Traumatic Brain Injury
6 Program; and

7 (v) maternal-child wellness services, including services provided
8 through the Nurse Family Partnership program.

9 * * *

10 (10) "Net ~~operating~~ patient revenues" means a provider's gross charges
11 related to patient care services less any deductions for bad debts, charity care,
12 contractual allowances, and other payer discounts.

13 * * *

14 Sec. 18a. 33 V.S.A. § 1955a is amended to read:

15 § 1955a. HOME HEALTH AGENCY ASSESSMENT

16 (a)(1) ~~Beginning October 1, 2011, each~~ Each home health agency's
17 assessment shall be ~~19.30~~ 4.25 percent of its net ~~operating~~ patient revenues
18 from ~~core~~ home health care services, ~~excluding revenues for services provided~~
19 ~~under Title XVIII of the federal Social Security Act; provided, however, that~~
20 ~~each home health agency's annual assessment shall be limited to no more than~~
21 ~~six percent of its annual net patient revenue~~ provided exclusively in Vermont.

1 (2) On or before May 1 of each year, each home health agency shall
2 provide to the Department a copy of its most recent audited financial statement
3 prepared in accordance with generally accepted accounting principles. The
4 amount of the tax shall be determined by the Commissioner based on the home
5 health net patient revenue attributable to services reported on the agency's
6 ~~most recent audited financial statements~~ statement at the time of submission, a
7 ~~copy of which shall be provided on or before May 1 of each year to the~~
8 ~~Department.~~

9 (3) For providers who ~~begin~~ began operations as a home health agency
10 after January 1, 2005, the tax shall be assessed as follows:

11 ~~(1)(A)~~ (A) Until such time as the home health agency submits audited
12 financial statements for its first full year of operation as a home health agency,
13 the Commissioner, in consultation with the home health agency, shall annually
14 estimate the amount of tax payable and shall prescribe a schedule for interim
15 payments.

16 ~~(2)(B)~~ (B) At such time as the full-year audited financial statement is filed,
17 the final assessment shall be determined, and the home health agency shall pay
18 any underpayment or the Department shall refund any overpayment. The
19 assessment for the State fiscal year in which a provider commences operations
20 as a home health agency shall be prorated for the proportion of the State fiscal
21 year in which the new home health agency was in operation.

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Sec. 18b. 2016 Acts and Resolves No. 134, Sec. 32 is amended to read:

Sec. 32. HOME HEALTH AGENCY ASSESSMENT FOR FISCAL
~~YEARS YEAR~~ 2017 ~~AND~~ 2018

Notwithstanding any provision of 33 V.S.A. § 1955a(a) to the contrary, for fiscal ~~years year~~ 2017 ~~and~~ 2018 only, the amount of the home health agency assessment under 33 V.S.A. § 1955a for each home health agency shall be 3.63 percent of its annual net patient revenue.

Sec. 18c. TRANSITIONAL PROVISION FOR FISCAL YEAR 2018

Notwithstanding any provision of 33 V.S.A. § 1955a(a)(2) to the contrary, for fiscal year 2018 only, the Commissioner of Vermont Health Access may determine the amount of a home health agency's provider tax based on such documentation as the Commissioner deems acceptable.

Sec. 18d. REPEAL

33 V.S.A. § 1955a (home health agency assessment) is repealed on July 1, 2019.

Sixth: After Sec. 24, by adding a Sec. 24a to read as follows:

Sec. 24a. SMALL BUSINESS TAXPAYER OUTREACH AND
EDUCATION WORKING GROUP

The Taxpayer Advocate at the Department of Taxes shall convene a working group of interested stakeholders to examine the ways the Department

1 can improve outreach and education to small business taxpayers. On or before
2 November 15, 2017, the Taxpayer Advocate shall report to the House
3 Committee on Ways and Means and the Senate Committee on Finance
4 recommendations to improve the relationship between the Department and
5 small businesses. In considering the recommendations, the Taxpayer Advocate
6 shall examine the following:

7 (1) identifying complex areas of the law that could be simplified to
8 enhance voluntary compliance;

9 (2) compiling a list of common issues on which the Department may
10 focus its outreach and education efforts;

11 (3) considering how the Department can maximize its existing resources
12 to provide additional guidance targeted to small businesses;

13 (4) directing the Department to identify existing organizations and
14 resources for small businesses and how to provide tax guidance through those
15 organizations;

16 (5) providing for a plan to contact and provide direction to new small
17 businesses in Vermont within one year of their operation in the State;

18 C (6) recommending guidelines to forgive tax penalties and interest
19 under certain circumstances; and

20 (7) making other recommendations as appropriate.

1 Seventh: By striking out Sec. 26 (clean water working group) in its entirety
2 and inserting in lieu thereof a new Sec. 26 to read as follows:

3 Sec. 26. CLEAN WATER WORKING GROUP

4 (a) Creation. There is created the Working Group on Water Quality
5 Funding (Working Group) to develop a recommended method of assessing a
6 statewide impervious surface fee, per parcel fee, per acre fee, or some
7 combination of the foregoing, in order to generate revenue to be deposited in
8 the Clean Water Fund under 10 V.S.A. § 1388 to fund water quality restoration
9 and conservation in the State.

10 (b) Membership. The Working Group shall be composed of the following
11 13 members:

12 (1) the Secretary of Natural Resources or designee;

13 (2) one current member of the House of Representatives, who shall be
14 appointed by the Speaker of the House;

15 (3) one current member of the Senate, who shall be appointed by the
16 Committee on Committees;

17 (4) one member from the Vermont League of Cities and Towns,
18 appointed by the Board of Directors of that organization;

19 (5) one member from the Vermont Municipal Clerks and Treasurers
20 Association, appointed by the Executive Board of that organization;

1 (6) one member from the Vermont Mayors' Coalition appointed by that
2 organization;

3 (7) one member representing commercial or industrial business interests
4 in the State, to be appointed by the Lake Champlain Regional Chamber of
5 Commerce, after consultation with other business groups in the State;

6 (8) the Commissioner of Environmental Conservation or designee;

7 (9) the Commissioner of Forests, Parks and Recreation or designee;

8 (10) a representative of an environmental advocacy group, appointed by
9 the Speaker of the House;

10 (11) a representative of the agricultural community appointed by the
11 Vermont Farm Bureau;

12 (12) a representative of University of Vermont Extension, appointed by
13 the President Pro Tempore of the Senate; and

14 (13) the Secretary of Agriculture, Food and Markets or designee.

15 (c) Powers and duties. The Working Group shall recommend to the
16 General Assembly draft legislation to establish a statewide method of assessing
17 an impervious surface fee, a per parcel fee, a per acre fee, or some combination
18 of the foregoing, in order to generate revenue to fund water quality restoration
19 and conservation in the State. In developing the draft legislation, the Working
20 Group shall address:

1 (1) whether the fee or fees shall be assessed on impervious surface, per
2 parcel, per acre, or some combination of the foregoing;

3 (2) whether the fee or fees shall be tiered to reflect the amount of
4 impervious surface, size of a parcel, acreage of a parcel, type of property,
5 usage of the property, impact of the property on water quality, or other factors;

6 (3) the amount of fee or fees to be assessed;

7 (4) how the fee or fees shall be collected and remitted to the State;

8 (5) whether any property shall be exempt from the fee or fees;

9 (6) how an owner of property subject to a municipal stormwater utility
10 fee or other revenue mechanism for funding water quality improvements shall
11 receive a credit or reduced fee for payment of the municipal fee; and

12 (7) how to provide for abatement, delinquency, and enforcement of the
13 required fee or fees.

14 (d) Assistance. The Working Group shall have the administrative,
15 technical, and legal assistance of the Agency of Natural Resources and the
16 Department of Taxes. The Working Group shall have the technical assistance
17 of the Vermont Center for Geographic Information or designee.

18 (e) Report. On or before January 15, 2018, the Working Group shall
19 submit to the General Assembly a summary of its activities and the draft
20 legislation establishing a statewide method of assessing an impervious surface
21 fee, per parcel fee, per acre fee, or some combination of the foregoing.

1 (f) Meetings.

2 (1) The Secretary of Natural Resources shall call the first meeting of the
3 Working Group to occur on or before July 1, 2017.

4 (2) The Secretary of Natural Resources shall be the Chair of the
5 Working Group.

6 (3) A majority of the membership shall constitute a quorum.

7 (4) The Working Group shall cease to exist on March 1, 2018.

8 Eighth: After Sec. 26, by inserting a reader assistance heading and three
9 new sections to be Secs. 26a, 26b, and 26c to read as follows:

10 * * * Property Tax Appeals * * *

11 Sec. 26a. 32 V.S.A. § 5412 is amended to read:

12 § 5412. REDUCTION OF LISTED VALUE AND RECALCULATION OF
13 EDUCATION TAX LIABILITY

14 (a)(1) If a listed value is reduced as the result of an appeal or court action,
15 ~~and if the municipality files a written request with the Commissioner within 30~~
16 ~~days after the date of the determination, entry of the final order, or settlement~~
17 ~~agreement if the Commissioner determines that the settlement value is the fair~~
18 ~~market value of the parcel, the Commissioner~~ made pursuant to section 4461 of
19 this title, a municipality may submit a request for the Director of Property
20 Valuation and Review to recalculate its education property tax liability for the
21 education grand list value lost due to a determination, declaratory judgment, or

1 settlement. The Director shall recalculate the municipality's education
2 property tax liability for the year at issue, in accord with the reduced valuation,
3 provided that:

4 (A) ~~the~~ The reduction in valuation is the result of an appeal under
5 chapter 131 of this title to the Director of Property Valuation and Review or to
6 a court, with no further appeal available with regard to that valuation, or any
7 judicial decision with no further right of appeal, or a settlement of either an
8 appeal or court action if the ~~Commissioner~~ Director determines that the
9 settlement value is the fair market value of the parcel;

10 (B) ~~the~~ The municipality ~~notified the Commissioner of the appeal or~~
11 ~~court action, in writing, within 10 days after notice of the appeal was filed~~
12 ~~under section 4461 of this title or after the complaint was served; and~~ submits
13 the request on or before January 15 for a request involving an appeal or court
14 action resolved within the previous calendar year.

15 (C) ~~as a result of the valuation reduction of the parcel, the value of~~
16 ~~the municipality's grand list is reduced at least one percent. [Repealed.]~~

17 (D) The Director determines that the municipality's actions were
18 consistent with best practices published by the Property Valuation and Review
19 in consultation with the Vermont Assessors and Listers Association. The
20 municipality shall have the burden of showing that its actions were consistent
21 with the Director's best practices.

1 (2) A determination of the Director made under subdivision (1) of this
2 subsection (a) may be appealed within 30 days by an aggrieved municipality to
3 the Commissioner for a hearing to be held in accordance with 3 V.S.A.
4 §§ 809–813. The Commissioner’s determination may be further appealed to
5 Superior Court, which shall review the Commissioner’s determination using
6 the record that was before the Commissioner. The Commissioner’s
7 determination may only be overturned for abuse of discretion.

8 (3) ~~The municipality’s~~ Upon the Director’s request, a municipality
9 submitting a request under subdivision (1) of this subsection (a) shall include a
10 copy of the agreement, determination or final order, and any other
11 documentation necessary to show the existence of these conditions.

12 (b) To the extent that the municipality has paid that liability, the
13 ~~Commissioner~~ Director shall allow a credit for any reduction in education tax
14 liability against the next ensuing year’s education tax liability ~~or, at the request~~
15 ~~of the municipality, may refund to the municipality an amount equal to the~~
16 ~~reduction in education tax liability.~~

17 (c) If a listed value is increased as the result of an appeal under chapter 131
18 of this title or court action, whether adjudicated or settled and the
19 ~~Commissioner~~ Director determines that the settlement value is the fair market
20 value of the parcel, with no further appeal available with regard to that
21 valuation, the ~~Commissioner~~ Director shall recalculate the municipality’s

1 education property tax for each year at issue, in accord with the increased
2 valuation, and shall assess the municipality for the additional tax at the same
3 time the ~~Commissioner~~ Director assesses the municipality's education tax
4 liability for the next ensuing year, unless the resulting assessment would be
5 less than \$300.00. Payment under this section shall be due with the
6 municipality's education tax liability for the next ensuing year.

7 (d) Recalculation of education property tax under this section shall have no
8 effect other than to reimburse or assess a municipality for education property
9 tax changes ~~which~~ that result from property revaluation.

10 (e) A reduction made under this section shall be an amount equal to the loss
11 in education grand list value multiplied by the tax rate applicable to the subject
12 property in the year the request is submitted. However, the total amount for all
13 reductions made under this section in one year shall not exceed \$1,000,000.00.
14 If total reductions for a calendar year would exceed that amount, the Director
15 shall instead prorate the reductions proportionally among all municipalities
16 eligible for a reduction so that total reductions equal \$1,000,000.00.

17 (f) Prior to the issuance of a final administrative determination or judicial
18 order, a municipality may request that the Director certify that best practices
19 were followed for purposes of meeting the requirements of subdivision
20 (a)(1)(D) of this section. The Director may choose to grant certification, deny
21 certification, or refrain from a decision until a request is submitted under

1 subdivision (a)(1) of this section. The Director shall consider the potential
2 impact on the Education Fund, the unique character of the subject property or
3 properties, and any extraordinary circumstances when deciding whether to
4 grant certification under this subsection. The Director shall be bound by a
5 decision to grant certification unless the municipality agrees to a settlement
6 after such certification was made.

7 Sec. 26b. GRAND LIST LITIGATION ASSISTANCE; STUDY

8 (a) The Attorney General, in consultation with the Vermont League of
9 Cities and Towns, property owners, and other interested stakeholders, shall
10 study approaches to assisting municipalities with expenses incurred during
11 litigation pursuant to chapter 131 of this title, including assigning an Assistant
12 Attorney General to the Division of Property Valuation and Review to support
13 municipalities litigating complex matters.

14 (b) On or before December 1, 2017, the Attorney General shall submit a
15 report to the Senate Committee on Finance and the House Committee on Ways
16 and Means on the findings of the study described in subsection (a) of this
17 section. The report shall include recommendations for legislative action based
18 on the findings of the study.

1 Sec. 26c. REIMBURSEMENT OF EDUCATION TAX LIABILITY;

2 REPORT

3 (a) On or before December 1, 2019, the Director of Property Valuation and
4 Review shall submit a report to the Senate Committee on Finance and the
5 House Committee on Ways and Means on the reimbursement of education tax
6 liabilities to municipalities pursuant to Sec. 26a of this act.

7 (b) The report shall include:

8 (1) the annual number of reductions to the education grand list;

9 (2) the annual amount reimbursed to municipalities from the Education
10 Fund; and

11 (3) the annual increase, if any, to the education grand list.

12 Ninth: By inserting a reader assistance heading and a new section to be
13 Sec. 26d to read as follows:

14 * * * Premium Tax Credit * * *

15 Sec. 26d. 8 V.S.A. § 6014(k) is amended to read:

16 (k) A captive insurance company first licensed under this chapter on or
17 after January 1, ~~2014~~ 2017 shall receive a nonrefundable credit of ~~\$7,500.00~~
18 \$5,000.00 applied against the aggregate taxes owed for the first two taxable
19 ~~year~~ years for which the company has liability under this section.

20 Tenth: After its reader assistance heading, by striking out Sec. 28 (effective
21 dates) and inserting in lieu thereof a new Sec. 28 to read as follows:

1 Sec. 28. EFFECTIVE DATES

2 This act shall take effect on passage except:

3 (1) Notwithstanding 1 V.S.A. § 214, Sec. 7 (annual update of income
4 tax link to the IRC) shall take effect retroactively on January 1, 2016 and apply
5 to taxable years beginning on and after January 1, 2016.

6 (2) Notwithstanding 1 V.S.A. § 214, Sec. 8 (estate tax) shall take effect
7 retroactively on January 1, 2016.

8 (3) Sec. 11 (3 V.S.A. chapter 10) shall take effect on passage, except for
9 3 V.S.A. § 242, which shall take effect when the VCIC has been authorized in
10 statute to subscribe to the FBI Rap Back program.

11 (4) Secs. 12–13 (break-open tickets) shall take effect on
12 September 1, 2017, except the first quarter for which nonprofit organizations
13 shall be required to comply with 31 V.S.A. § 1203(f) shall be the fourth quarter
14 of 2017.

15 (5) Secs. 16–17 (transferring employer assessment from the Department
16 of Labor to the Department of Taxes) and 27(5) shall take effect on January 1,
17 2018 with the return of the fourth quarter of 2017 being due on January 25,
18 2018.

19 (6) Sec. 19 (sales tax exemption for aircraft) shall take effect on
20 July 1, 2017.

1 (7) Notwithstanding 1 V.S.A. § 214, Sec. 20 (use tax reporting) shall
2 take effect retroactively on January 1, 2017 and apply to returns filed for tax
3 year 2017 and after.

4 (8) Notwithstanding 1 V.S.A. § 214, Sec. 22 (third party settlement
5 network reporting requirements) shall take effect retroactively on
6 January 1, 2017 and apply to taxable year 2017 and after.

7 (9) Sec. 23 (additional noncollecting vendor reporting requirements)
8 shall take effect on July 1, 2017.

9 (10) Secs. 26a–26c (property tax appeals) and 26d (premium tax credit)
10 shall take effect on July 1, 2017.

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13 (Committee vote: _____)

14

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Senator _____

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FOR THE COMMITTEE