

H.516: Miscellaneous Tax Bill

As amended by Senate Finance - Draft 1.2

April 24, 2017

Sec.	As passed the House	Sec.	As amended by Senate Finance
	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
2	Requires town clerks to report new listers to PVR electronically, not in writing.		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
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
5	No longer requires Commissioner to distribute paper copies of meals and rooms returns, but allows taxpayer to request them.		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
7	Adopts federal income tax laws in effect for tax		No change

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	year 2016 for the purpose of computing Vermont tax liability.		
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
9	Clarifies definition of net patient revenue for purposes of calculating the ambulance agency assessment.		No change
10	Provides a statutory purpose for the property tax exemption for ski lifts and equipment.		No change
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 Liquor Control to conduct background checks for prospective and current employees and contractors who handle federal tax information.
	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
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 quarterly information reports with the Department of Liquor Control. Otherwise, the language is same as existing language in Title		Adds language requiring an annual certification from nonprofits regarding how they qualify for nonprofit status, and extending reporting requirement to all nonprofits, except clubs, that sell break-open tickets.

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	32, except rulemaking authority is discretionary.		
	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
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.
	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
	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.
			Health Care Provisions; Provider Taxes
		18-18d	Incorporates H.386, which makes changes to how the provider tax for home health agencies is calculated.
	Sales tax; aircraft		
19	Amends the current sales tax exemption for aircraft to exclude drones.		No change
	Strategies for Increased Collections		
20	Reduces and caps the amount of use tax a taxpayer		No change

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	may elect to pay on their income tax return.		
21	Directs Department of Taxes to take steps to increase use tax compliance.		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
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
24	Directs the Department of Taxes to increase tax collection efforts.		No change
		24a	Requires Tax Department to convene a small business working group to help aid with compliance questions.
Clean Water			
25	Requires the Treasurer to report on the viability of a revenue bond as a source of clean water funding.		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.
			Property tax appeals
		26a- 26c	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.

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Sec.	As passed the House	Sec.	As amended by Senate Finance
			Premium tax credit
		26d	Changes the calculation of the captive insurance premium tax credit to allow a lower credit over more years.
	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 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. Repeals the sunset on the surcharge on the property transfer tax that is devoted to the Clean Water Fund.		
	Effective Dates		
28	Effective on passage with exceptions.	28	Changes in effective date section to reflect changes in the amendment.