

## H.922 An act relating to making numerous revenue changes

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Sec.	Description
<b>Municipal Stormwater Fees</b>	
<b>1</b>	Adjusts the stormwater runoff fees paid by municipalities from a flat \$2000 per municipality fee to a graduated schedule of fees ranging from zero to \$1,800 depending upon population size, miles of maintained road, and other factors.
<b>Green Mountain Care Board Billback Formula</b>	
<b>2</b>	Makes changes to the Green Mountain Care Board’s billback formula: <ul style="list-style-type: none"> <li>• Allows the Board to bill regulated entities directly for actual costs the Board incurs in conducting health insurance rate review, hospital budget review, and accountable care organization (ACO) certification and budget review.</li> <li>• Reallocates the amounts assessed to regulated entities for other Board duties (those duties not attributable to a specific entity).</li> <li>• Imposes a \$150 minimum fee on each regulated entity.</li> </ul>
<b>529 Plans</b>	
<b>3-7</b>	Changes Vermont’s law on 529 plans to adjust to federal changes. <ul style="list-style-type: none"> <li>• Shifts “postsecondary education” definitions to reference Vermont law rather than federal law and makes other conforming changes.</li> <li>• Requires repayment of tax credit when participant uses 529 funds for purposes other than postsecondary education.</li> <li>• Requires VSAC to report the amount of 529 funds withdrawn for purposes other than postsecondary education each year, as well as the total amount withdrawn.</li> </ul>
<b>Tax Credit for Affordable Housing; First Time Homebuyer Program</b>	
<b>8</b>	Makes changes to the affordable housing tax credit. <ul style="list-style-type: none"> <li>• Increases the amount of first-year credit allocations for the Home Ownership Down Payment Assistance program by \$125,000 for seven years.</li> <li>• Updates the “Allocation Plan” definition to clarify that multifamily projects will receive credits, while single family projects will receive loans or grants funded by sales of credits by the Agency.</li> <li>• Other clarifying and conforming changes.</li> </ul>
<b>Downtown and Village Center Tax Credit</b>	
<b>9</b>	Raises the annual cap on the downtown and village center tax credit from \$2,400,000 to \$2,650,000.
<b>Tax on E-Cigarettes</b>	
<b>10-10a</b>	Establishes a tax of 46% of the wholesale price on liquids used in e-cigarette devices (both nicotine-based and any other liquids) and on single-use e-cigarette devices.
<b>Taxable Meal Exclusions</b>	
<b>11</b>	Expands the taxable meal exclusions. <ul style="list-style-type: none"> <li>• Provides that fire departments and providers of emergency medical services can qualify for the nonprofit exclusion from “taxable meals” even when they serve</li> </ul>

	<p>meals <u>off</u> their premises.</p> <ul style="list-style-type: none"> <li>Clarifies (at the request of the Tax Department) that food or beverage purchased for resale is excluded from “taxable meals.”</li> </ul>
	<b><u>Sections 12 – 30: Tax Department Miscellaneous Requests</u></b>
	<b>Solar Energy Investment Income Tax Credit</b>
12	Cleans up language to reflect previous phase-out of 100% solar energy investment income tax credit. Vermont currently allows a credit of 24% of the federal credit for solar energy investment. Previously, the credit was increased to 100% of the federal credit (an addition of 76%). To accommodate that change, an additional 76% recapture was added to the recapture language in 5822(d). However, the additional 76% credit has been phased out in session law (and is removed from statute in this bill, Sec. 30). As such, the additional 76% recapture language serves no purpose and is deleted here.
	<b>Minimum Corporate Income Tax</b>
13	Clarifies, in accord with current practice, that minimum corporate income tax is determined with regard to Vermont gross receipts and not total gross receipts.
	<b>Property Tax; Land Use Change Tax Lien</b>
14	<ul style="list-style-type: none"> <li>Replaces the requirement a lien be placed on all property enrolled in the current use program and instead requires that a notice of contingent lien be filed, with a lien to be filed when land is developed.</li> <li>Converts existing liens on current use property to contingent liens.</li> <li>See also Sec. 30(1): repeal of land use change tax lien subordination.</li> </ul>
	<b>Fee Waiver for Property Tax Appeals</b>
15	Gives the director of Property Valuation and Review authority to waive property tax appeal fees in cases of hardship or to join appeals regarding the same parcel.
	<b>Land Gains Tax Affidavit</b>
16	Allows a seller of land who has paid any land gains tax owed on the sale to provide an <u>affidavit</u> that the tax was paid or that none is due instead of obtaining <u>certification</u> from the Commissioner of Taxes to that effect.
	<b>Property Tax Definitions; Homestead and Household Income</b>
17-18	<p>Updates definitions:</p> <ul style="list-style-type: none"> <li>“Homestead” expanded to cover principal dwelling of widow(er)s where the dwelling is owned by deceased spouse’s estate and likely to pass to widow(er).</li> <li>For purposes of income sensitivity, clarifies that “household income” does <u>not</u> include: <ul style="list-style-type: none"> <li>income of spouse or former spouse of claimant if legally separated or divorced in the taxable year; or</li> <li>income of spouse against whom claimant has protection order.</li> </ul> </li> </ul>
	<b>Aggregate Common Level of Appraisal and Distribution of Property Tax Adjustments</b>
19-22	<ul style="list-style-type: none"> <li>Authorizes municipalities within a unified union school district to merge assessment districts, so long as they agree to standardized assessment procedures. The merged municipalities must maintain separate grand lists and other administrative processes unless granted permission to consolidate all</li> </ul>

	<p>property valuation administrative functions. Municipalities may un-merge after 5 years unless they consolidated all property valuation administrative functions.</p> <ul style="list-style-type: none"> <li>• Adds the following to statewide education property tax bills: <ul style="list-style-type: none"> <li>○ District homestead and nonresidential property tax rates before equalization, and the equalization calculation.</li> <li>○ Explanation of common level of appraisal.</li> </ul> </li> <li>• Increases frequency with which the tax department notifies and pays municipalities for homestead property tax adjustments from yearly to monthly.</li> </ul>
	<b>Insurance Taxes</b>
<b>23-26</b>	<ul style="list-style-type: none"> <li>• Shifts certain insurance tax collection duties from DFR to the Tax Department and clarifies Tax Department may use administrative tools to enforce the taxes.</li> <li>• Deletes reference to surplus lines companies from those insurance companies which must contribute to the Fire Safety Special Fund to reflect current practice.</li> </ul>
	<b>Short-Term Rental Platform Reporting</b>
<b>27</b>	Exempts Internet platforms that connect consumers with short-term property rentals from the requirement that they collect information on operators who use the platform, as long as the Internet platform agrees to collect and remit the meals and rooms tax imposed on the operators.
	<b>Appeal to Superior Court; Security</b>
<b>28-29</b>	Removes requirement that appellants in tax appeals to the Superior Court provide security to guarantee the tax in dispute will be paid if they lose.
	<b>Repeals</b>
<b>30</b>	Repeals: <ul style="list-style-type: none"> <li>• Current use program's land use change tax lien subordination provision in conjunction with move to new contingent lien mechanism in Sec. 14.</li> <li>• Solar energy tax credit which was already phased out in session law.</li> <li>• Tax which only applied to the now closed Vermont Yankee nuclear plant.</li> </ul>
	<b>Intent for E-Cigarette Tax Proceeds</b>
<b>30a</b>	Expresses legislative intent that e-cigarette revenue be transferred from State Health Care Resources Fund to General Fund in FY 2019 to offset costs of first time homebuyer program, downtown/village center tax credit, and taxable meal exclusions.
	<b>Effective Dates</b>
<b>31</b>	Effective Dates