

1                                   \* \* \* 529 Plans \* \* \*

2       Sec. 3. 16 V.S.A. § 2876 is amended to read:

3       § 2876. DEFINITIONS

4           As used in this subchapter, except where the context clearly requires  
5       another interpretation:

6                                   \* \* \*

7           (5) “Postsecondary education costs” means the qualified costs of tuition  
8       and fees and other expenses for attendance at an ~~institution of postsecondary~~  
9       ~~education, as defined in the Internal Revenue Code~~ approved postsecondary  
10       education institution.

11           (6) ~~“Institution of postsecondary education”~~ “Approved postsecondary  
12       education institution” means an ~~institution as defined in the Internal Revenue~~  
13       ~~Code~~ a postsecondary education institution as defined in section 2822 of this  
14       title.

15                                   \* \* \*

16       Sec. 4. 16 V.S.A. § 2879a(a) is amended to read:

17           (a) Any participant may cancel a participation agreement at will, and any  
18       return of funds from the participant’s account shall be subject to terms and  
19       conditions established by the Corporation, provided that any penalties levied as  
20       a result comply with the ~~Internal Revenue Code’s~~ provisions of the Internal  
21       Revenue Code or Title 32 relating to Investment Plans.

1       Sec. 5. 16 V.S.A. § 2879e is amended to read:

2       § 2879e. CONSTRUCTION AND APPLICATION

3       This subchapter shall be construed liberally in order to effectuate its  
4       legislative intent. The purposes of this subchapter and all provisions of this  
5       subchapter with respect to powers granted shall be broadly interpreted to  
6       effectuate such intent and purposes and not as to any limitation of powers.

7       This subchapter shall be interpreted and enforced in a manner that shall  
8       achieve this public purpose in compliance with the applicable provisions of the  
9       Internal Revenue Code, except to the extent the Code is inconsistent with the  
10      provisions of 32 V.S.A. § 5825a.

11      Sec. 6. 32 V.S.A. § 5825a(b) is amended to read:

12      (b) A taxpayer who has received a credit under subsection (a) of this  
13      section shall repay to the Commissioner 10 percent of any distribution from a  
14      higher education investment plan account, which distribution is not ~~excluded~~  
15      ~~from gross income in the taxable year under 26 U.S.C. § 529, as amended,~~  
16      used exclusively for costs of attendance at an approved postsecondary  
17      education institution as defined in 16 V.S.A. § 2822(6), up to a maximum of  
18      the total credits received by the taxpayer under subsection (a) of this section  
19      minus any amount of repayment of such credits in prior tax years.  
20      Repayments under this subsection shall be subject to assessment, notice,  
21      penalty and interest, collection, and other administration in the same manner as  
22      an income tax under this chapter.

1       Sec. 7. REPORT ON NONPOSTSECONDARY USE OF HIGHER  
2                   EDUCATION INVESTMENT PLAN FUNDS

3           The Vermont Student Assistance Corporation shall report the amount of  
4           assets withdrawn by participants from the Vermont Higher Education  
5           Investment Plan in the preceding calendar year for education costs other than  
6           postsecondary education costs, as well as the total amount of assets withdrawn  
7           by participants in the preceding calendar year, to the House Committee on  
8           Ways and Means and the Senate Committee on Finance annually on or before  
9           January 15.

10                               \* \* \* Tax Credit for Affordable Housing;  
11                               First Time Homebuyer Program \* \* \*

12       Sec. 8. 32 V.S.A. § 5930u is amended to read:

13       § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

14       (a) As used in this section:

15           (1) “Affordable housing project” or “project” means:

16                   (A) a rental housing project identified in 26 U.S.C. § 42(g); or

17                   (B) owner-occupied housing identified in 26 U.S.C. § 143(c)(1) or

18       that qualifies under Vermont Housing Finance Agency criteria governing

19       owner-occupied housing.

20           (2) “Affordable housing tax credits” means the tax credit provided by  
21       this subchapter.