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Act No. 160 (H.934). Taxation and fees; property tax; renter credit

An act relating to renter rebate reform

This act amends the renter rebate program by creating a credit structure for renters that is separate from the income sensitivity property tax credit for homeowners. The new renter credit is calculated based on federal housing data and federal income limits that are adjusted for family size and location. One or more claimants per household may be eligible for the new renter credit, up to a maximum credit of \$2,500.

This act amends the eligibility requirements for the renter credit. Rather than using the definition of household income, this act creates a new definition of income. For the purposes of the renter credit, income starts with federal adjusted gross income, then adds back certain trade or business losses, exempt interest, 75% of exempt Social Security benefits, and certain adjustments to gross income. Renters may be eligible for the credit if they have rented for at least six (instead of 12) calendar months during the taxable year, although the months rented are not required to be consecutive.

Owners of all rental properties are required to provide the Vermont Department of Taxes with a landlord certificate for each rented property, regardless of the number of homesteads rented within each property. Owners of rental properties are no longer required to provide landlord certificates to renters, and the associated penalties for failure to provide certificates to renters are repealed.

References to “renter rebate” throughout statute are amended to “renter credit.” No changes are made to the income sensitivity property tax credit for homeowners.

Effective Date: January 1, 2021