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Act No. 175 (H.954). Taxation and fees

An act relating to miscellaneous tax provisions

This act makes numerous substantive, administrative, and technical changes to Vermont's tax laws. The primary substantive changes are that this act:

- Requires the Department of Taxes to submit a report studying approaches to transitioning the billing and collection of the education property tax from municipalities to the State. The report is due to the General Assembly on or before February 1, 2021. (Sec. 4).
- Increases the per diem paid to property tax hearing officers from \$120 per day to \$150 per day. (Sec. 6).
- Decreases the amount of use tax due when individuals file their Vermont personal income tax returns and elect to calculate their use tax liability using the statutory safe harbor. Changes the safe harbor calculation to 0.05% of adjusted gross income and exempts individuals whose adjusted gross income is \$20,000 or less. (Sec. 8).
- Requires marketplace facilitators to collect the universal service charge on prepaid calling cards at the same time they collect sales tax on prepaid calling cards on behalf of marketplace sellers. (Sec. 11).
- Amends the following income tax deadlines:
 - Statute of limitations for refunds of taxes paid or offset when the Department of Taxes subsequently reverses its assessment. An additional six months for a taxpayer to request a refund is allowed. (Sec. 15).
 - Statute of limitations for requests of Vermont refunds for tax year 2016 to align with federal filing extension due to the COVID-19 public health emergency. Vermont refund requests for tax year 2016 were extended from April 15 to July 15, 2020. (Sec. 16).
 - Deadline for taxpayers to amend their Vermont return after amending their federal return. The deadline is extended to 180 days instead of 60 days. (Sec. 17).
 - Extension of time for filing a Vermont return. An extension is automatically allowed for both individual and corporate taxpayers when an automatic or good cause extension has been granted federally. Corporate taxpayers are allowed one

additional month to file a Vermont return after the extended deadline for filing a federal return. (Sec. 18).

- Expands the types of distributions from Vermont 529 accounts that will not trigger a tax credit recapture. The two new allowable distributions are those used to pay qualified expenses for registered apprenticeship programs and those made after the death or disability of the beneficiary. (Sec. 19).
- Clarifies the amount of the filing fee for motions to appeal decisions from Probate Division of Superior Court. Reduces the minimum tax offset amount from \$50 to \$45 to allow the Department of Taxes to offset debts from a Judiciary surcharge. (Secs. 25 and 25a).
- Removes the higher interest rate for underpayment of taxes in order to charge the same interest rate for both underpayment and overpayment of taxes. (Sec. 28).
- Extends the time periods for tax increment financing districts to incur debt. (Secs. 29 and 30).

This act makes numerous other administrative and technical changes.

Multiple effective dates, beginning on January 1, 2020