1	H.934
2	Introduced by Committee on Ways and Means
3	Date:
4	Subject: Taxation; property tax; renter rebate
5	Statement of purpose of bill as introduced: This bill proposes to amend the
6	renter rebate program by creating a credit structure that is separate from the
7	income sensitivity property tax credit. The new renter credit is based on
8	federal housing data and income limits adjusted for the number of family
9	members in each claim. The credit is available to more than one eligible
10	claimant per household up to a maximum credit of \$2,500.00. The amount of
11	the credit accounts for unrelated adults living in the household, business use of
12	the dwelling, and rental subsidies received.
13	An act relating to renter rebate reform
14	It is hereby enacted by the General Assembly of the State of Vermont:
15	Sec. 1. 32 V.S.A. § 6061 is amended to read:
16	§ 6061. DEFINITIONS
17	The following definitions shall apply throughout As used in this chapter
18	unless the context requires otherwise:
19	* * *

1	(7)(A) "Allocable rent" means for any housesite and for any taxable
2	year 21 percent of the gross rent. "Gross rent" means the rent actually paid
3	during the taxable year by the individual or other members of the household
4	solely for the right of occupancy of the housesite during the taxable year.
5	"Allocable rent" shall not include payments made under a written homesharing
6	agreement pursuant to a nonprofit homesharing program, or payments for a
7	room in a nursing home in any month for which Medicaid payments have been
8	made on behalf of the claimant to the nursing home for room charges.
9	(B) "Gross rent" means the rent actually paid during the taxable year
10	by the claimant solely for the right of occupancy of the housesite during the
11	taxable year.
12	(C) "Fair market rent" means the monthly fair market rent for the
13	area in which the claimant resides as determined by the U.S. Department of
14	Housing and Urban Development pursuant to 42 U.S.C. § 1437f as of June 30
15	of the taxable year multiplied by 12, provided that for claimants who reside in
16	Franklin or Grand Isle county, "fair market rent" means the average of the fair
17	market rents for the State as determined by the U.S. Department of Housing
18	and Urban Development.
19	* * *

1	(18) Notwithstanding subsections (4) and (5) of this section, for the
2	purposes of the renter credit, "income" means federal adjusted gross income
3	increased by the following:
4	(A) trade or business loss from a sole proprietorship, loss from a
5	partnership, loss from a limited liability company or "subchapter S"
6	corporation, loss from a rental property, capital loss, loss from an estate or
7	trust, loss from a real estate mortgage investment conduit, farm rental loss, any
8	loss associated with the sale of business property, and farm losses included in
9	adjusted gross income;
10	(B) exempt interest received or accrued during the taxable year;
11	(C) 75 percent of the portion of Social Security benefits as defined
12	under 26 U.S.C. § 86(d) that is excluded from gross income under 26 U.S.C.
13	§ 86 for the taxable year; and
14	(D) to the extent excluded from federal adjusted gross income,
15	educator expenses; certain business expenses of reservists, performing artists,
16	and fee-basis government officials; health savings account deductions; moving
17	expenses for members of the U.S. Armed Forces; the deductible part of self-
18	employment tax; self-employed SEP, SIMPLE, and qualified plan deductions;
19	self-employed health insurance deductions; the penalty for early withdrawal of
20	savings; alimony paid; certain IRA retirement savings deductions; student loan
21	interest deductions; and tuition and fees deductions.

1	(19) "Extremely low-income limit" means the limit as determined by
2	the U.S. Department of Housing and Urban Development pursuant to 42
3	U.S.C. § 1437a as of June 30 of the taxable year, provided that for claimants
4	who reside in Franklin or Grand Isle county, "extremely low-income limit"
5	means the average of the extremely low-income limits for the State as
6	determined by the U.S. Department of Housing and Urban Development.
7	(20) "Very low-income limit" means the limit as determined by the
8	U.S. Department of Housing and Urban Development pursuant to 42 U.S.C.
9	§ 1437a as of June 30 of the taxable year, provided that for claimants who
10	reside in Franklin or Grand Isle county, "very low-income limit" means the
11	average of the very low-income limits for the State as determined by the
12	U.S. Department of Housing and Urban Development.
13	Sec. 2. 32 V.S.A. § 6062 is amended to read:
14	§ 6062. NUMBER AND IDENTITY OF CLAIMANTS; APPORTIONMENT
15	(a) In the case of a renter credit claim based solely on allocable rent, the
16	claimant shall have rented property during the entire taxable year; provided,
17	however, a claimant who owned a homestead which was sold in the taxable
18	year prior to April 1 may file a renter credit claim. If two or more individuals
19	of a household are able to meet the qualifications for a claimant hereunder,
20	they may determine among them who the claimant shall be. Any disagreement
21	under this subsection shall be referred to the Commissioner and his or her

1	decision shall be final In the case of a ren	ter credit claim, the claimant shall
2	have rented property for the right of occup	pancy during at least six calendar
3	months, which need not be consecutive, in	the taxable year to be eligible for a
4	credit under this chapter. More than one r	enter credit claimant per household
5	per year may be entitled to relief under thi	s chapter.
6	(b) Only one property tax credit claima	ant per household per year shall be
7	entitled to relief under this chapter.	
8	* * *	
9	Sec. 3. 32 V.S.A. § 6066 is amended to re	ad:
10 11	§ 6066. COMPUTATION OF PROPERTY * * *	Y TAX CREDIT
12	(b) An eligible claimant who rented the	e homestead, whose household
13	income does not exceed \$47,000.00, and v	who submits a certificate of allocable
14	rent shall be entitled to a credit against the	claimant's tax liability under
15	chapter 151 of this title equal to the amoun	nt by which the allocable rent upon
16	the claimant's housesite exceeds a percent	age of the claimant's household
17	income for the taxable year as follows:	
18	If household income (rounded to-	then the taxpayer is entitled to
19	the nearest dollar) is: e	redit for allocable rent paid in
20	e	xcess of this percent of that income:
21	\$ 0 - 9,999.00	2.0
22	\$10,000.00 - 24,999.00	4.5

1	\$25,000.00 - 47,000.00 5.0
2	In no event shall the credit exceed the amount of the allocable rent.
3	(1) An eligible claimant who rented the homestead shall be entitled to a
4	credit for the taxable year in an amount not to exceed \$2,500.00, to be
5	calculated as follows:
6	(A) If the claimant's income is less than or equal to the extremely (A)
7	low-income limit, the claimant shall be entitled to a credit in the amount of
8	10 percent of fair market rent.
9	(B) If the claimant's income is greater than the extremely low-
10	income limit but less than or equal to the very low-income limit, the claimant
11	shall be entitled to a percentage of the credit that is proportional to the
12	claimant's income that is less than the very low-income limit, determined by:
13	(i) subtracting the claimant's income from the very low-income
14	<u>limit;</u>
15	(ii) dividing the value under subdivision (i) of this subdivision
16	(1)(B) by the difference between the extremely low-income limit and the very
17	low-income limit; and
18	(iii) multiplying the value under subdivision (ii) of this
19	subdivision (1)(B) by 10 percent of fair market rent.
20	(C) If the claimant's income is greater than the very low-income
21	limit, the claimant shall not be entitled to a renter credit.

(D) A claimant who is eligible for a renter credit, including pursuant
to this subsection (b), and who receives a rental subsidy shall be entitled to a
credit in the amount of 10 percent of gross rent paid.
(E) A renter credit shall be prorated by the number of calendar
months in the taxable year during which the claimant rented the homestead,
except for a credit based on gross rent paid under subdivision (D) of this
subsection (b)(1), and by the portion of the principal dwelling used for
business purposes if the portion used for business purposes includes more than
25 percent of the floor space of the dwelling.
(2) The Commissioner shall calculate the credit under subdivision (1) of
this subsection (b) using the fair market rent corresponding to a number of
bedrooms equal to the number of personal exemptions allowed under
subdivision 5811(21)(C) of this title for the taxable year, provided that for
claimants who resided with any person who was neither the claimant's
dependent nor jointly filing spouse at any time during the taxable year, the
Commissioner shall reduce the credit by 50 percent.
(c) To be eligible for an adjustment or credit under this chapter, the
claimant:
(1) must have been domiciled in this State during the entire taxable
year;

1	(2) may not be a person claimed as a dependent by any taxpayer under
2	the federal Internal Revenue Code during the taxable year; and
3	(3) in the case of a renter, shall have rented property for at least six
4	calendar months, which need not be consecutive, during the entire taxable
5	year.
6	(d) The owner of a mobile home which $\underline{\text{that}}$ is sited on a lot not owned by
7	the homeowner may include an amount determined under subdivision 6061(7)
8	of this title as allocable rent paid on the lot with the amount of property taxes
9	paid by the homeowner on the home for the purpose of computation of credits
10	under subdivision (a)(3) of this section, unless the homeowner has included in
11	the claim an amount of property tax on common land under the provisions of
12	subsection (e) of this section.
13	* * *
14	Sec. 4. 32 V.S.A. § 6069 is amended to read:
15 16	§ 6069. LANDLORD CERTIFICATE * * *
17	(b) The owner of each rental property consisting of more than one rented
18	homestead shall, on or before January 31 of each year, furnish a certificate of
19	rent to the Department of Taxes and to each person who rented a homestead
20	from the owner at any time during the preceding calendar year. All other
21	owners of rented homestead units shall furnish such certificate upon request of
	owners of remed nomested units shar furnish such certificate upon request of

1	provide the certificate to the renter at the time of moving or mail the certificate
2	to the forwarding address if one has been provided by the renter or in the
3	absence of a forwarding address, to the last known address.
4	(c) A certificate under this section shall be in a form prescribed by the
5	Commissioner and shall include the name of the renter, the address and any
6	property tax parcel identification number of the homestead, notice of the
7	requirements for eligibility for the property tax credit provided by this chapter
8	the information required under subsection (f) of this section, and any
9	additional information that the Commissioner determines is appropriate.
10	(d)(1) An owner who knowingly fails to furnish a certificate to the
11	Department or a renter as required by this section shall be liable to the
12	Commissioner for a penalty of \$200.00 for each failure to act. An owner shall
13	be liable to the Commissioner for a penalty equal to the greater of \$200.00 or
14	the excess amount reported who:
15	(A) willfully furnishes a certificate that reports total allocable rent in
16	excess of the actual amount paid; or
17	(B) reports a total amount of allocable rent that exceeds by 10 percent
18	or more the actual amount paid.
19	(2) Penalties under this subsection shall be assessed and collected in the
20	manner provided in chapter 151 for the assessment and collection of the
21	income tax.

1	(e) Failure to receive a rent certificate shall not disqualify a renter from the
2	benefits provided by this chapter. [Repealed.]
3	(f) Annually, on or before October 31, the Department shall prepare and
4	make available to a member of the public upon request a database in the form
5	of a sortable spreadsheet that contains the following information for each
6	rental unit for which the Department received a certificate pursuant to this
7	section:
8	(1) name of owner or landlord;
9	(2) mailing address of landlord;
10	(3) location of rental unit;
11	(4) type of rental unit;
12	(5) number of units in building; and
13	(6) School Property Account Number.
14	Sec. 5. EFFECTIVE DATE
15	Notwithstanding 1 V.S.A. § 214, this act shall take effect retroactively on
16	January 1, 2020 and apply to taxable years beginning on and after January 1,
17	2020 (claim filing years 2021 and after).