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S.161

Introduced by Committee on Economic Development, Housing and General  
Affairs

Referred to Committee on

Date:

Subject: Housing; taxation; tax credit

Statement of purpose of bill as introduced: This bill proposes to adopt  
miscellaneous housing proposals to make new investments in housing by  
authorizing a new housing bond, expanding the scope of the property transfer  
tax, increasing the first-time home buyer down payment assistance program tax  
credit, expanding the scope of the downtown tax credit program, and  
expanding the scope of the tax on short-term rentals.

An act relating to housing investments

It is hereby enacted by the General Assembly of the State of Vermont:

\* \* \* Housing Bond \* \* \*

\* \* \* Vermont Housing and Conservation Board;

Bond Proceeds for Housing \* \* \*

Sec. 1. FINDINGS AND PURPOSE; AFFORDABLE HOUSING BOND

(a) Findings.

1           (1) In 2017 the General Assembly, in partnership with the Vermont  
2           Housing Conservation Board, the Vermont Housing Finance Agency, the State  
3           Treasurer, and other affordable housing stakeholders, provided for the funding  
4           and creation of an affordable housing bond to support the development of  
5           affordable housing throughout the State.

6           (2) To date, the Vermont Housing Conservation Board has committed  
7           over \$24.8 million of the total \$37 million bond proceeds, leveraging another  
8           \$140 million through partner programs and supporting the creation of  
9           approximately 550 housing units. The remaining bond proceeds are expected  
10          to be fully committed by the end of 2019. The Vermont Housing Conservation  
11          Board is on track to meet or exceed the production and leveraging goals of the  
12          bond and meet the income targeting requirements.

13          (3) The General Assembly finds that additional investments are needed  
14          to help create more affordable housing options for Vermonters.

15          (b) Purpose and intent.

16          (1) The purpose of Secs. 1–13 of this act is to promote the development  
17          and improvement of affordable housing for current and future Vermont  
18          residents throughout the State.

19          (2) It is the intent of the General Assembly:

1           (A) to authorize the Vermont Housing Finance Agency to issue a  
2           new housing bond in FY 2021 and transfer the proceeds to the Vermont  
3           Housing Conservation Board to support the development of additional  
4           affordable housing;

5           (B) in FY 2020, to reserve the revenues generated from the property  
6           transfer tax and the revenues generated from the rooms tax on short-term  
7           rentals for future debt payments on the new housing bond;

8           (C) in FY 2021 and until the new housing bond is repaid, to dedicate  
9           \$4 million of the revenues generated from the property transfer tax for debt  
10           payments on the new housing bond; and

11           (D) in FY 2021 and until the new housing bond is repaid, to offset  
12           the loss of the dedicated property transfer tax revenues by raising an additional  
13           \$4 million in new revenues, as follows:

14           (i) \$2 million through the property transfer tax by applying and  
15           collecting the tax for transfers or acquisitions of a direct or indirect controlling  
16           interest in a business entity with title to property; and

17           (ii) \$2 million through the rooms tax by applying and collecting  
18           the tax on short-term rentals.





1 credit program under 26 U.S.C. § 42 shall not be counted in determining a  
2 change in the “controlling interest.”

3 (ii) All acquisitions of persons acting in concert are aggregated for  
4 purposes of determining whether a transfer or acquisition of a controlling  
5 interest has taken place. The Commissioner shall adopt standards by  
6 regulation to determine when persons are acting in concert. In adopting a  
7 regulation for this purpose, the Commissioner shall consider the following:

8 (I) Persons must be treated as acting in concert when they have  
9 a relationship with each other such that one person influences or controls the  
10 actions of another through common ownership.

11 (II) When persons are not commonly owned or controlled, they  
12 must be treated as acting in concert only when the unity with which the  
13 purchasers have negotiated and will consummate the transfer of ownership  
14 interest supports a finding that they are acting as a single person. If the  
15 acquisitions are completely independent, with each purchaser buying without  
16 regard to the identity of the other purchasers, the acquisitions must be  
17 considered separate acquisitions.

18 Sec. 3. 32 V.S.A. § 9602 is amended to read:

19 § 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

20 A tax is hereby imposed upon the transfer ~~by deed~~ of title to property  
21 located in this State. The amount of the tax equals one and one-quarter percent

1 of the value of the property transferred, or \$1.00, whichever is greater, except  
2 as follows:

3 \* \* \*

4 Sec. 4. 32 V.S.A. § 9603 is amended to read:

5 § 9603. EXEMPTIONS

6 The following transfers are exempt from the tax imposed by this chapter:

7 \* \* \*

8 (6) Transfers to effectuate a mere change of identity or form of  
9 ownership or organization where there is no change in beneficial ownership;

10 \* \* \*

11 (25) Transfer made by a limited liability company to a member in  
12 connection with a complete dissolution of the limited liability company,  
13 pursuant to which transfer no gain or loss is recognized under the Internal  
14 Revenue Code, except where the Commissioner finds that a major purpose of  
15 such dissolution is to avoid the property transfer tax;

16 (26) Transfers of controlling interests in a person with a fee interest in  
17 property if the transfer of the property would qualify for exemption if  
18 accomplished by deed of the property between the parties to the transfer of the  
19 controlling interest.

1 Sec. 5. 32 V.S.A. § 9606(a) is amended to read:

2 (a) A property transfer return complying with this section shall be delivered  
3 to a town clerk:

4 (1) In the case of property transfer by deed, at the time a deed  
5 evidencing a transfer of title to property is delivered to the clerk for recording.

6 (2) In the case of transfer or acquisition of a controlling interest in a  
7 person with title to property for which a deed is not given, within 30 days of  
8 the transfer or acquisition.

9 Sec. 6. 32 V.S.A. § 9607 is amended to read:

10 § 9607. ACKNOWLEDGMENT OF RETURN AND TAX PAYMENT

11 Upon the receipt by a town clerk of a property transfer return and certificate  
12 and the fee required under subdivision 1671(a)(6) of this title, the clerk shall  
13 forthwith mail or otherwise deliver to the transferee of title to property with  
14 respect to which such return was filed a signed and written acknowledgment of  
15 the receipt of that return and certificate. A copy of that acknowledgment, or  
16 any other form of acknowledgment approved by the Commissioner, shall be  
17 affixed to the deed evidencing the transfer of property or the document  
18 evidencing the transfer or acquisition of a direct or indirect controlling interest  
19 in any person with title to property with respect to which the return and  
20 certificate was filed. The acknowledgment so affixed to a deed or document,

1       however, shall not disclose the amount of tax paid with respect to any return or  
2       transfer.

3       Sec. 7. 32 V.S.A. § 9608(a) is amended to read:

4           (a) Except as to transfers ~~which~~ that are exempt pursuant to subdivision  
5       9603(17) of this title, no town clerk shall record, or receive for recording, any  
6       deed or document evidencing the transfer or acquisition of a direct or indirect  
7       controlling interest in any person with title to property to which is not attached  
8       a properly executed transfer tax return, complete and regular on its face, and a  
9       certificate in the form prescribed by the Natural Resources Board and the  
10      Commissioner of Taxes that the conveyance of the real property and any  
11      development thereon by the seller is in compliance with or exempt from the  
12      provisions of 10 V.S.A. chapter 151. The certificate shall indicate whether or  
13      not the conveyance creates the partition or division of land. If the conveyance  
14      creates a partition or division of land, there shall be appended the current “Act  
15      250 Disclosure Statement,” required by 10 V.S.A. § 6007. A town clerk who  
16      violates this section shall be fined \$50.00 for the first such offense and \$100.00  
17      for each subsequent offense. A person who purposely or knowingly falsifies  
18      any statement contained in the certificate required is punishable by fine of not  
19      more than \$500.00 or imprisonment for not more than one year, or both.

1       Sec. 8. 32 V.S.A. § 9618 is amended to read:

2       § 9618. DUTY TO REPORT STOCK ACQUISITIONS

3           Each person who acquires a controlling interest in a corporation, whether by  
4       one or more than one transfer of stock, shall, if the fair market value of all real  
5       property held in this State by the corporation exceeds \$500,000.00, report to  
6       the Commissioner of Taxes, within 30 days after the acquisition, the fair  
7       market value of all real property held in this State by the corporation at the  
8       time of the acquisition of the controlling interest. ~~As used in this section, a~~  
9       ~~“controlling interest” means 50 percent or more of the total combined voting~~  
10      ~~power of all classes of stock of the corporation.~~

11                               \* \* \* Housing Bond; New Housing \* \* \*

12       Sec. 9. 10 V.S.A. § 315 is added to read:

13       § 315. HOUSING BOND; INVESTMENT

14           The Vermont Housing and Conservation Board shall use the proceeds of  
15      bonds, notes, and other obligations issued by the Vermont Housing Finance  
16      Agency pursuant to subdivision 621(23) of this title and transferred to the  
17      Vermont Housing and Conservation Trust Fund to fund the creation and  
18      improvement of owner-occupied and rental housing for Vermonters with very  
19      low to middle income up to 120 percent of the area median, in areas targeted  
20      for growth and reinvestment. The Board shall use the proceeds to fund

1 housing that meets community needs and in consideration of the following  
2 priorities:

3 (1) creating new multi-family and single-family homes;

4 (2) addressing blighted properties and other existing housing stock  
5 requiring reinvestment including in mobile home parks; and

6 (3) providing service-supported housing in coordination with the  
7 Agency of Human Services including those who are elderly, homeless, in  
8 recovery, experiencing severe mental illness, or leaving incarceration.

9 Sec. 10. 10 V.S.A. § 323 is amended to read:

10 § 323. ANNUAL REPORT

11 Prior to January 31 of each year, the Board shall submit a report concerning  
12 its activities to the Governor and to the House Committees on Agriculture and  
13 Forestry, on Appropriations, on Corrections and Institutions, on Natural  
14 Resources, Fish and Wildlife, and on Ways and Means and the Senate  
15 Committees on Agriculture, on Appropriations, on Finance, on Institutions,  
16 and on Natural Resources and Energy. The report shall include the following:

17 (1) a list and description of activities funded by the Board during the  
18 preceding year, including commitments made to fund projects through housing  
19 bond proceeds pursuant to ~~section~~ sections 314 and 315 of this title, and  
20 project descriptions, levels of affordability, and geographic location;

21 \* \* \*

1                   \* \* \* Allocation of Property Transfer Tax Revenues \* \* \*

2           Sec. 11. 32 V.S.A. § 9610 is amended to read:

3           § 9610. REMITTANCE OF RETURN AND TAX; INSPECTION OF  
4                   RETURNS

5           (a) Not later than 30 days after the receipt of any property transfer return, a  
6           town clerk shall file the return in the office of the town clerk and electronically  
7           forward a copy of the acknowledged return to the Commissioner; provided,  
8           however, that with respect to a return filed in paper format with the town, the  
9           Commissioner shall have the discretion to allow the town to forward a paper  
10          copy of that return to the Department.

11          (b) The copies of property transfer returns in the custody of the town clerk  
12          may be inspected by any member of the public.

13          (c) Prior to distributions of property transfer tax revenues under 10 V.S.A.  
14          § 312, 24 V.S.A. § 4306(a), and subdivision 435(b)(10) of this title, two  
15          percent of the revenues received from the property transfer tax shall be  
16          deposited in a special fund in the Department of Taxes for Property Valuation  
17          and Review administration costs.

18          (d)~~(4)~~ Prior to any distribution of property transfer tax revenue under  
19          10 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and  
20          subsection (c) of this section, \$2,500,000.00 of the revenue received from the  
21          property transfer tax shall be transferred to the Vermont Housing Finance

1 Agency to pay the principal of and interest due on the bonds, notes, and other  
2 obligations authorized to be issued by the Agency pursuant to 10 V.S.A.  
3 § 621(22), the proceeds of which the Vermont Housing and Conservation  
4 Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

5 ~~(2) As long as the bonds, notes, and other obligations incurred pursuant~~  
6 ~~to subdivision (1) of this subsection remain outstanding, the rate of tax~~  
7 ~~imposed pursuant to section 9602 of this title shall not be reduced below a rate~~  
8 ~~estimated, at the time of any reduction, to generate annual revenues of at least~~  
9 ~~\$12,000,000.00.~~

10 (e) Prior to any distribution of property transfer tax revenue under  
11 10 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and  
12 subsection (c) of this section, \$4,000,000.00 of the revenue received from the  
13 property transfer tax shall be transferred to the Vermont Housing Finance  
14 Agency to pay the principal of and interest due on the bonds, notes, and other  
15 obligations authorized to be issued by the Agency pursuant to 10 V.S.A.  
16 § 621(23), the proceeds of which the Vermont Housing and Conservation  
17 Board shall use to create housing pursuant to 10 V.S.A. § 315.

18 (f) Provided bonds, notes, and other obligations incurred pursuant to  
19 subsection (d) or (e) of this section, or both, remain outstanding, the rate of tax  
20 imposed pursuant to section 9602 of this title shall not be reduced below a rate  
21 estimated, at the time of any reduction, to generate annual revenues of:



1           (22) issue bonds, notes, and other obligations secured by the property  
2 transfer tax revenues transferred to the Agency pursuant to 32 V.S.A.  
3 § 9610(d); and

4           (23) issue bonds, notes, and other obligations secured by the property  
5 transfer tax revenues transferred to the Agency pursuant to 32 V.S.A.  
6 § 9610(e).

7 Sec. 13. 10 V.S.A. § 631(m) is added to read:

8           (m)(1) The bonds, notes, and other obligations authorized to be issued  
9 pursuant to subdivision 621(23) of this title shall be secured by a pledge of  
10 \$4,000,000.00 from the property transfer tax revenues to be transferred to the  
11 Agency pursuant to 32 V.S.A. § 9610(e) and shall mature on or before June 30,  
12 2040.

13           (2) The Agency may issue the bonds, notes, and other obligations in one  
14 or more series at one time or from time to time, provided that the aggregate  
15 annual debt service on the bonds, notes, and other obligations shall not exceed  
16 \$4,000,000.00 at any time.

17           (3) The Agency shall transfer the proceeds of the bonds, notes, and other  
18 obligations, less issuance fees and costs and required reserves, to the Vermont  
19 Housing and Conservation Trust Fund established pursuant to section 312 of  
20 this title for use by the Vermont Housing and Conservation Board as provided  
21 in section 315 of this title.

1           (4) The Agency, the Vermont Housing and Conservation Board, and the  
2           State Treasurer may execute one or more agreements governing the terms and  
3           conditions under which the property transfer tax revenues that secure the  
4           bonds, notes, and obligations shall be transferred to the Agency, and any other  
5           issues they determine appropriate.

6                           \* \* \* Reserve Funding for Housing Bond \* \* \*

7           Sec. 14. FY 2020 RESERVE FUNDING; HOUSING BOND; VERMONT  
8                           HOUSING AND CONSERVATION TRUST FUND

9           In fiscal year 2020, the amount of \$4,000,000.00 in revenues generated  
10           from the property transfer tax and the revenues generated from the rooms tax  
11           on short-term rentals shall be transferred to the Vermont Housing and  
12           Conservation Trust Fund to reserve for future debt payments on the new  
13           housing bond authorized in Secs. 12 and 13 of this act.

14                           \* \* \* Repeal of Housing Bond Provisions After Life of Bond \* \* \*

15           Sec. 15. REPEAL

16           The following are repealed on July 1, 2040:

17           (1) 10 V.S.A. § 315 (Vermont Housing and Conservation Board;  
18           housing bond and investments).

19           (2) 10 V.S.A. § 621(23) (Vermont Housing Finance Agency (VHFA)  
20           authority to issue debt obligations).

21           (3) 10 V.S.A. § 631(m) (debt obligations issued by VHFA).

1           (4) 32 V.S.A. § 9610(e)–(f) (property transfer tax priority for housing  
2           debt repayment).

3   \* \* \* Housing Cost Study \* \* \*

4           Sec. 16. AFFORDABLE RENTAL HOUSING; DEVELOPMENT COSTS;  
5   STUDY

6           (a) The Vermont Housing Finance Agency, in coordination with the  
7           Vermont Housing and Conservation Board and the Vermont Department of  
8           Housing and Community Development, shall engage a qualified independent  
9           third party to study and analyze affordable rental housing development costs in  
10           Vermont for the purpose of identifying ways to reduce costs while maintaining  
11           housing quality. The study shall include an analysis the specific components  
12           of cost, a comparison to market rate rental housing, the impact of public  
13           policy, and draw from available state, regional, and national data sources to  
14           ensure findings are considered with geographical context.

15           (b) On or before January 15, 2020, the Vermont Housing Finance Agency  
16           shall submit a written copy of the study described in subsection (a) of this  
17           section to the House Committee on Housing, General, and Military Affairs and  
18           the Senate Committee on Economic Development, Housing and General  
19           Affairs.

1           \* \* \* First-Time Home Buyer Down Payment Assistance Program \* \* \*

2           Sec. 17. 32 V.S.A. § 5930u is amended to read:

3           § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

4           (a) As used in this section:

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

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

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

8           that qualifies under Vermont Housing Finance Agency criteria governing

9           owner-occupied housing.

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

12          (3) “Allocating agency” or “Agency” means the Vermont Housing  
13          Finance Agency.

14          (4) “Committee” means the Joint Committee on Tax Credits consisting  
15          of five members: a representative from the Department of Housing and  
16          Community ~~Affairs~~ Development, the Vermont Housing and Conservation  
17          Board, the Vermont Housing Finance Agency, the Vermont State Housing  
18          Authority, and the Office of the Governor.

19          (5) “Credit certificate” means a certificate issued by the allocating  
20          agency to a taxpayer that specifies the amount of affordable housing tax credits  
21          that can be applied against the taxpayer’s individual or corporate income tax,

1 or franchise, captive insurance premium, or insurance premium tax liability as  
2 provided in this subchapter.

3 (6) “Eligible applicant” means any municipality, ~~private sector~~  
4 ~~developer~~, State agency as defined in 10 V.S.A. § 6301a, the Vermont Housing  
5 Finance Agency, a for-profit organization, or a nonprofit organization  
6 qualifying under 26 U.S.C. § 501(c)(3) or cooperative housing organization,  
7 the purpose of which is to create and retain affordable housing for Vermonters  
8 with lower income and which has in its bylaws a requirement that the housing  
9 the organization creates be maintained as affordable housing for Vermonters  
10 with lower income on a perpetual basis meeting the application requirements  
11 of the allocation plan.

12 (7) “Eligible cash contribution” means an amount of cash:

13 (A) contributed to the owner, developer, or sponsor of an affordable  
14 housing project and determined by the allocating agency as eligible for  
15 affordable housing tax credits; or

16 (B) paid to the Agency in connection with the purchase of affordable  
17 housing tax credits.

18 (8) “Section 42 credits” means tax credit provided by 26 U.S.C.  
19 §§ 38 and 42.

20 (9) “Allocation plan” means the plan recommended by the Committee  
21 and approved by the Vermont Housing Finance Agency, which sets forth the

1 eligibility requirements and process for selection of eligible rental housing  
2 projects to receive affordable housing tax credits and eligible owner-occupied  
3 housing projects to receive loans or grants under this section. The allocation  
4 plan shall include:

5 (A) requirements for creation and retention of affordable housing for  
6 persons with low income; and

7 (B) requirements to ensure that eligible rental housing is maintained  
8 as affordable by subsidy covenant, as defined in 27 V.S.A. § 610 on a  
9 perpetual basis and that eligible owner-occupied housing or program funds for  
10 owner-occupied housing remain as an affordable housing source for future  
11 owners or buyers, and meets all other requirements of the Vermont Housing  
12 Finance Agency related to affordable housing.

13 (10) “Taxpayer” means a taxpayer who makes an eligible cash  
14 contribution or the assignee or transferee of or successor to such taxpayer as  
15 determined by the Department of Taxes.

16 (b) Eligible tax credit allocations.

17 (1) Affordable housing credit allocation for rental housing.

18 (A) An eligible applicant may apply to the allocating agency for an  
19 allocation of affordable rental housing tax credits under this section related to  
20 an affordable housing project authorized by the allocating agency under the  
21 allocation plan. In the case of a specific affordable rental housing project,

1 the eligible applicant shall also be the owner or a person having the right to  
2 acquire ownership of the building and shall apply prior to placement of the  
3 affordable housing project in service. ~~In the case of owner-occupied housing~~  
4 ~~units, the applicant shall ensure that the allocated housing or program funds~~  
5 ~~remain as an affordable housing resource for future owners.~~ The allocating  
6 agency shall issue a letter of approval if it finds that the applicant meets the  
7 priorities, criteria, and other provisions of subdivision (B) of this  
8 subdivision (b)(1). The burden of proof shall be on the applicant.

9 (B) Upon receipt of a completed application, the allocating agency  
10 shall award an allocation of affordable housing tax credits with respect to a  
11 project to an applicant, provided the applicant demonstrates to the satisfaction  
12 of the allocating agency all of the following:

13 (i) The owner of the project has received from the allocating  
14 agency a binding commitment for, a reservation or allocation of, or an out-of-  
15 cap determination letter for, Section 42 credits, or meets the requirements of  
16 the allocation plan for development or financing of units to be owner-occupied.

17 (ii) The project has received community support.

18 (2) Affordable housing credit allocation for loans or grants for owner-  
19 occupied housing.

20 (A) The Vermont Housing Finance Agency shall have the authority  
21 to allocate affordable housing tax credits to provide funds to make loans or

1 grants to eligible applicants for affordable owner-occupied housing. An  
2 eligible applicant may apply to the allocating agency for a loan or grant under  
3 this section related to an affordable owner-occupied housing project authorized  
4 by the allocating agency under the allocation plan. In the case of a specific  
5 affordable owner-occupied housing project, the eligible applicants shall also be  
6 the owner or a person having the right to acquire ownership of the unit and  
7 shall apply prior to sale of the unit to the homeowner.

8 (B) The Agency shall require that the loan or grant recipient use such  
9 funds to maintain the unit as an affordable owner-occupied unit or as an  
10 affordable housing source for future owners or buyers.

11 (C) The Agency shall use the proceeds of loans or grants made under  
12 subdivision (b)(2)(A) of this section for future loans or grants to eligible  
13 applicants for affordable owner-occupied housing projects.

14 (D) The Agency may assign its rights under any loan or grant made  
15 under subdivision (b)(2)(A) of this section to the Vermont Housing and  
16 Conservation Board or any State agency or nonprofit organization qualifying  
17 under 26 U.S.C. § 501(c)(3) provided such assignee acknowledges and agrees  
18 to comply with the provisions of subdivision (b)(2) of this section.

19 (3) Down Payment Assistance Program.

1           (A) The Vermont Housing Finance Agency shall have the authority  
2 to allocate affordable housing tax credits to finance down payment assistance  
3 loans that meet the following requirements:

4           (i) the loan is made in connection with a mortgage through an  
5 Agency program;

6           (ii) the borrower is a first-time ~~homebuyer~~ home buyer of an  
7 owner-occupied primary residence; and

8           (iii) the borrower uses the loan for the borrower's down payment  
9 or closing costs, or both.

10          (B) The Agency shall require the borrower to repay the loan upon the  
11 transfer or refinance of the residence.

12          (C) The Agency shall use the proceeds of loans made under the  
13 Program for future down payment assistance.

14          (c) Amount of credit. A taxpayer ~~who makes an eligible cash contribution~~  
15 shall be entitled to claim against the taxpayer's individual income, corporate,  
16 franchise, captive insurance premium, or insurance premium tax liability a  
17 credit in an amount specified on the taxpayer's credit certificate. The first-year  
18 allocation of a credit amount to a taxpayer shall also be deemed an allocation  
19 of the same amount in each of the following four years.

20          (d) Availability of credit. The amount of affordable housing tax credit  
21 ~~allocated with respect to a project~~ set forth on the taxpayer's credit certificate

1 shall be available to the taxpayer every year for five consecutive tax years,  
2 beginning with the tax year in which the eligible cash contribution is made.  
3 Total tax credits available to the taxpayer shall be the amount of the first-year  
4 allocation plus the succeeding four years' deemed allocations.

5 (e) Claim for credit. A taxpayer claiming affordable housing tax credits  
6 shall submit with each return on which such credit is claimed ~~a copy of the~~  
7 ~~allocating agency's credit allocation to the affordable housing project and the~~  
8 taxpayer's credit certificate and with respect to credits issued under  
9 subdivision (b)(1), a copy of the allocating agency's credit allocation to the  
10 affordable housing project. Any unused affordable housing tax credit may be  
11 carried forward to reduce the taxpayer's tax liability for no more than  
12 14 succeeding tax years, following the first year the affordable housing tax  
13 credit is allowed.

14 (f) [Repealed.]

15 (g)(1) In any fiscal year, the allocating agency may award up to:

16 (A) \$400,000.00 in total first-year credit allocations to all applicants  
17 for rental housing projects, for an aggregate limit of \$2,000,000.00 over any  
18 given five-year period that credits are available under this subdivision (A);

19 \* \* \*

20 (2) ~~In any fiscal year, total first-year credit allocations under subdivision~~  
21 ~~(1) of this subsection plus succeeding year deemed allocations shall not exceed~~

1     ~~\$3,500,000.00~~ If the full amount of first-year credits authorized by an award  
2     are not allocated to a taxpayer, the Agency may reclaim the amount not  
3     allocated and re-award such allocations to other applicants, and such re-awards  
4     shall not be subject to the limits set forth in subdivision (1) of this subsection.

5           (h)(1) In fiscal year 2016 through fiscal year ~~2022~~ 2019, the allocating  
6     agency may award up to \$125,000.00 in total first-year credit allocations for  
7     loans through the Down Payment Assistance Program created in  
8     subdivision (b)(2) of this section.

9           (2) In ~~any~~ fiscal year, ~~total first-year credit allocations under~~  
10    ~~subdivision (1) of this subsection plus succeeding year deemed allocations~~  
11    ~~shall not exceed \$625,000.00~~ 2020 through fiscal year 2026, the allocating  
12    agency may award up to \$250,000.00 in total first-year credit allocations for  
13    loans through the Down Payment Assistance Program created in subdivision  
14    (b)(3) of this section.

15                           \* \* \* Downtown Tax Credit Program \* \* \*

16     Sec. 18. 32 V.S.A. chapter 151, subchapter 11J is amended to read:

17           Subchapter 11J: Vermont Downtown and Village Center Tax Credit Program

18     § 5930aa. DEFINITIONS

19           As used in this subchapter:

20           (1) “Qualified applicant” means an owner or lessee of a qualified  
21     building involving a qualified project, but does not include ~~a religious entity~~

1 ~~operating with a primarily religious purpose~~; a State or federal agency or a  
2 political subdivision of either; or an instrumentality of the United States.

3 (2) “Qualified building” means a building built ~~prior to 1983~~ at least 30  
4 years before the date of application, located within a designated downtown or  
5 village center, which upon completion of the project supported by the tax  
6 credit will be an income-producing building not used solely as a single-family  
7 residence. Churches and other buildings owned by religious organization may  
8 be qualified buildings, but in no event shall tax credits be used for religious  
9 worship.

10 (3) “Qualified code ~~or technology~~ improvement project” means a  
11 project:

12 (A)(~~i~~) to install or improve platform lifts suitable for transporting  
13 personal mobility devices, ~~limited use/limited application~~ limited-use or  
14 limited-application elevators, elevators, sprinkler systems, and capital  
15 improvements in a qualified building, and the installations or improvements  
16 are required to bring the building into compliance with the statutory  
17 requirements and rules regarding fire prevention, life safety, and electrical,  
18 plumbing, and accessibility codes as determined by the Department of Public  
19 Safety; ~~or~~

20 (ii) ~~to install or improve data or network wiring, or heating,~~  
21 ~~ventilating, or cooling systems reasonably related to data or network~~

1 ~~installations or improvements, in a qualified building, provided that a~~  
2 ~~professional engineer licensed under 26 V.S.A. chapter 20 certifies as to the~~  
3 ~~fact and cost of the installation or improvement;~~

4 \* \* \*

5 (7) “Qualified project” means a qualified code ~~or technology~~  
6 improvement, qualified façade improvement, ~~qualified technology~~  
7 ~~infrastructure project~~, or qualified historic rehabilitation project as defined by  
8 this subchapter.

9 (8) “State Board” means the Vermont Downtown Development Board  
10 established pursuant to 24 V.S.A. chapter 76A.

11 \* \* \*

12 § 5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX

13 CREDITS

14 (a) Historic rehabilitation tax credit. The qualified applicant of a qualified  
15 historic rehabilitation project shall be entitled, upon the approval of the State  
16 Board, to claim against the taxpayer’s State individual income tax, corporate  
17 income tax, or bank franchise or insurance premiums tax liability a credit of  
18 10 percent of qualified rehabilitation expenditures as defined in the Internal  
19 Revenue Code, 26 U.S.C. § 47(c), properly chargeable to the federally certified  
20 rehabilitation.

1 (b) Façade improvement tax credit. The qualified applicant of a qualified  
2 façade improvement project shall be entitled, upon the approval of the State  
3 Board, to claim against the taxpayer's State individual income tax, State  
4 corporate income tax, or bank franchise or insurance premiums tax liability a  
5 credit of 25 percent of qualified expenditures up to a maximum tax credit of  
6 \$25,000.00.

7 (c) Code or technology improvement tax credit. The qualified applicant of  
8 a qualified code or technology improvement project shall be entitled, upon the  
9 approval of the State Board, to claim against the taxpayer's State individual  
10 income tax, State corporate income tax, or bank franchise or insurance  
11 premiums tax liability a credit of 50 percent of qualified expenditures up to a  
12 maximum tax credit of \$12,000.00 for installation or improvement of a  
13 platform lift, a maximum credit of ~~\$40,000.00~~ \$60,000.00 for the installation  
14 or improvement of a ~~limited-use/limited-application~~ limited-use or limited-  
15 application elevator, a maximum tax credit of ~~\$50,000.00~~ \$75,000.00 for  
16 installation or improvement of an elevator, a maximum tax credit of  
17 \$50,000.00 for installation or improvement of a sprinkler system, ~~a maximum~~  
18 ~~tax credit of \$30,000.00 for the combined costs of installation or improvement~~  
19 ~~of data or network wiring or a heating, ventilating, or cooling system,~~ and a  
20 maximum tax credit of \$50,000.00 for the combined costs of all other qualified  
21 code improvements.

1 § 5930dd. CLAIMS; AVAILABILITY

2 (a) A taxpayer claiming credit under this subchapter shall submit to the  
3 Department of Taxes with the first return on which a credit is claimed a copy  
4 of the State Board's tax credit allocation.

5 (b) A credit under this subchapter shall be available for the first tax year in  
6 which the qualified project is complete. In the alternative, the State Board may  
7 allocate the credit available under this subchapter and make an allocation  
8 available upon completion of any distinct phase of a qualified project. The  
9 allocation and distinct phases of the qualified project shall be identified in the  
10 application package approved by the State Board.

11 (c) If within ~~five~~ two years after the date of the credit allocation to the  
12 applicant no claim for tax credit has been filed, the tax credit allocation shall  
13 be rescinded, unless the project has an approved federal application for a  
14 phased (60 month) project pursuant to Treasury Regulation 1.48-12(b)(2)(v), in  
15 which case the credit will not be rescinded until five years from the date of the  
16 credit allocation.

17 \* \* \*

18 § 5930ee. LIMITATIONS

19 Beginning in fiscal year 2010 and thereafter, the State Board may award tax  
20 credits to all qualified applicants under this subchapter, provided that:





1 Sec. 20. 32 V.S.A. § 9271 is amended to read:

2 § 9271. LICENSES REQUIRED

3 Each operator prior to commencing business shall register with the  
4 Commissioner each place of business within the State where he or she operates  
5 a hotel or sells taxable meals or alcoholic beverages; provided however, that an  
6 operator who sells taxable meals through a vending machine shall not be  
7 required to hold a license for each individual machine, and a booking agent  
8 shall not be required to hold a separate license for each property the rental of  
9 which it facilitates. Upon receipt of an application in such form and containing  
10 such information as the Commissioner may require for the proper  
11 administration of this chapter, the Commissioner shall issue without charge a  
12 license for each such place in such form as he or she may determine, attesting  
13 that such registration has been made. No person shall engage in serving  
14 taxable meals or alcoholic beverages or renting hotel rooms without the license  
15 provided in this section. The license shall be nonassignable and  
16 nontransferable and shall be surrendered to the Commissioner if the business is  
17 sold or transferred or if the registrant ceases to do business at the place named.

18 \* \* \* Effective Dates \* \* \*

19 Sec. 21. EFFECTIVE DATES

20 (a) This section and Sec. 17 (down payment assistance) shall take effect on  
21 passage.

1        (b) Secs. 9–13 of this act shall take effect on July 1, 2020.

2        (c) The remaining sections of this act shall take effect on July 1, 2019.