1	Introduced by Committee on Ways and Means
2	Date:
3	Subject: Taxation; minimum tax on corporations; property tax; current use;
4	administration; homestead definition; income sensitivity adjustment;
5	electrical energy tax; insurance tax; meals and rooms tax; higher
6	education investment plans
7	Statement of purpose of bill as introduced: This bill proposes to make
8	numerous substantive and administrative changes to Vermont's tax laws. The
9	bill permits the creation of merged property assessment districts to match
10	merged school districts. The bill moves the collection and administration of
11	the fire safety insurance tax, the direct placement insurance tax, and the surplus
12	lines tax from the Department of Financial Regulation to the Department of
13	Taxes. The bill makes numerous other changes, including changes to the
14	current use lien system, the definitions of household income and homestead,
15	tobacco taxes, and higher education investment plans.
16	An act relating to miscellaneous tax provisions
17	It is hereby enacted by the General Assembly of the State of Vermont:
18	* * * Miscellaneous Tax Proposals * * *
19	* * * Confidentiality of Tax Information; Tobacco Settlement Agreement * * *
20	Sec. 1. 32 V.S.A. § 3102(d) is amended to read:

1	(d) The Commissioner shall disclose a return or return information:
2	* * *
3	(8) to the Attorney General, the Data Clearinghouse established in the
4	October 2017 Non-Participating Manufacturer Adjustment Settlement
5	Agreement, which the State of Vermont joined in 2018, the National
6	Association of Attorneys General, and counsel for the parties to the Agreement
7	as required by the Agreement and to the extent necessary to comply with the
8	Agreement and only as long as the State is a party thereto.
9	* * * Annual Calculation; Interest Rates * * *
10	Sec. 2. 32 V.S.A. § 3108(a) is amended to read:
11	(a) Not later than December 15 of each year, the Commissioner shall
12	establish a an annual rate of interest applicable to tax overpayments which that
13	shall be equal to the average prime rate charged by banks during the
14	immediately preceding 12 months commencing on October 1 of the prior year,
15	rounded upwards to the nearest quarter percent. An annual rate thus established
16	shall be converted to a monthly rate which shall be rounded upwards to the
17	nearest 10th of a percent. Not later than December 15 of each year, the
18	Commissioner shall establish annual and monthly rates of interest applicable to
19	unpaid tax liabilities, which in each instance shall be equal to the annual and
20	monthly rates <u>rate</u> established for tax overpayments plus 200 basis points. The
21	rates established hereunder shall be effective on January 1 of the immediately

1 following year. As used in this section, the term "prime rate charged by 2 banks" shall mean the average predominate prime rate quoted by commercial 3 banks to large businesses as determined by the Board of Governors of the 4 Federal Reserve Board. 5 * * * Penalties; Refund Fraud * * * 6 Sec. 3. 32 V.S.A. § 3202(b)(5) is amended to read: 7 (5) Fraudulent failure to pay. When a taxpayer fraudulently or with 8 willful intent to defeat or evade a tax liability imposed by this title, either fails 9 to pay a tax liability on the date prescribed therefor, or either requests and or 10 receives a refund of a tax liability, in addition to any interest payable pursuant 11 to subsection (a) of this section, the Commissioner may assess and the taxpayer 12 shall then pay a penalty equal to the amount of the tax liability unpaid on the 13 prescribed date of payment or the amount received or requested as a refund 14 subsequent to that date. * * * Fee Waiver for Property Tax Appeals * * * 15 16 Sec. 4. 32 V.S.A. § 4461(a) is amended to read: 17 (a) A taxpayer or the Selectboard selectboard members of a town aggrieved 18 by a decision of the board of civil authority under subchapter 1 of this chapter 19 may appeal the decision of the board to either the Director or the Superior 20 Court of the county in which the property is located. The appeal to the

Superior Court shall be heard without a jury. The appeal to either the Director

1	or the Superior Court shall be commenced by filing a notice of appeal pursuant
2	to Rule 74 of the Vermont Rules of Civil Procedure, within 30 days of after
3	entry of the decision of the board of civil authority. The date of mailing of
4	notice of the board's decision by the town clerk to the taxpayer shall be
5	deemed the date of entry of the board's decision. The town clerk shall transmit
6	a copy of the notice to the Director or to the Superior Court as indicated in the
7	notice and shall record or attach a copy of the notice in the grand list book.
8	The entry fee for an appeal to the Director is \$70.00; provided, however, that
9	the Director may waive, reduce, or refund the entry fee in cases of hardship or
10	to join appeals regarding the same parcel.
11	* * * Solar Energy Investment Income Tax Credit * * *
12	Sec. 5. 32 V.S.A. § 5822 is amended to read:
13	§ 5822. TAX ON INCOME OF INDIVIDUALS, ESTATES, AND TRUSTS
14	* * *
15	(c) The amount of tax determined under subsection (a) of this section shall
16	be:
17	(1) increased by 24 percent of the taxpayer's federal tax liability for the
18	taxable year for the following:
19	(A) additional taxes on qualified retirement plans, including
20	individual retirement accounts and medical savings accounts and other tax-
21	favored accounts;

1	(B) recapture of the federal investment tax credit and increased by 76
2	percent of the Vermont-property portion of the business solar energy
3	investment tax credit component of the federal investment tax credit recapture
4	for the taxable year attributable to the Vermont portion of the investment;
5	(C) tax on qualified lump-sum distributions of pension income not
6	included in federal taxable income; and
7	(2) decreased by 24 percent of the reduction in the taxpayer's federal tax
8	liability due to farm income averaging.
9	(d)(1) A taxpayer shall be entitled to a credit against the tax imposed under
10	this section of 24 percent of each of the credits allowed against the taxpayer's
11	federal income tax for the taxable year as follows: credit for people who are
12	elderly or permanently totally disabled, investment tax credit attributable to the
13	Vermont-property portion of the investment, and child care and dependent care
14	credits.
15	(2) Any unused business solar energy investment tax credit under this
16	section may be carried forward for no not more than five years following the
17	first year in which the credit is claimed.
18	* * *

1	* * * Annual Link to Federal Statutes * * *
2	Sec. 6. 32 V.S.A. § 5824 is amended to read:
3	§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS
4	The statutes of the United States relating to the federal income tax, as in
5	effect on December 31, 2017 2018, but without regard to federal income tax
6	rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the
7	tax liability under this chapter.
8	Sec. 7. 32 V.S.A. § 7402(8) is amended to read:
9	(8) "Laws of the United States" means the U.S. Internal Revenue Code
10	of 1986, as amended through December 31, 2015 2018. As used in this
11	chapter, "Internal Revenue Code" shall have has the same meaning as "laws of
12	the United States" as defined in this subdivision.
13	* * * Minimum Corporate Tax * * *
14	Sec. 8. 32 V.S.A. § 5832 is amended to read:
15	§ 5832. TAX ON INCOME OF CORPORATIONS
16	A tax is imposed for each calendar year, or fiscal year ending during that
17	calendar year, upon the income earned or received in that taxable year by every
18	taxable corporation, reduced by any Vermont net operating loss allowed under
19	section 5888 of this title, such tax being the greater of:
20	* * *

1	(2)(A) \$75.00 for small farm corporations. "Small farm corporation"
2	means any corporation organized for the purpose of farming, which during the
3	taxable year is owned solely by active participants in that farm business and
4	receives less than \$100,000.00 Vermont gross receipts from that farm
5	operation, exclusive of any income from forest crops; or
6	(B) An amount determined in accordance with section 5832a of this
7	title for a corporation which that qualifies as and has elected to be taxed as a
8	digital business entity for the taxable year; or
9	(C) For C corporations with <u>Vermont</u> gross receipts from \$0-
10	\$2,000,000.00, the greater of the amount determined under subdivision (1) of
11	this section or \$300.00; or
12	(D) For C corporations with <u>Vermont</u> gross receipts from
13	\$2,000,001.00-\$5,000,000.00, the greater of the amount determined under
14	subdivision (1) of this section or \$500.00; or
15	(E) For C corporations with <u>Vermont</u> gross receipts greater than
16	\$5,000,000.00, the greater of the amount determined under subdivision (1) of
17	this section or \$750.00.
18	* * * Publicly Traded Partnerships * * *
19	Sec. 9. 32 V.S.A. § 5920(h) is amended to read:
20	(h)(1) Notwithstanding any provisions in this section, a publicly traded
21	partnership as defined in 26 U.S.C. § 7704(b), that is treated as a partnership

1	for the purposes of the Internal Revenue Code, is exempt from any income tax
2	liability and any compliance and payment obligations under subsection
3	subsections (b) and (c) of this section, if information required by the
4	Commissioner <u>under subdivision (2) of this subsection</u> is provided by the due
5	date of the partnership's return. This information includes the name, address,
6	taxpayer identification number, and annual Vermont source of income greater
7	than \$500.00 for each partner who had an interest in the partnership during the
8	tax year. This information shall be provided to the Commissioner in an
9	electronic format, according to rules or procedures adopted by the
10	Commissioner.
11	(2) Publicly traded partnerships shall provide to the Commissioner in an
12	electronic format, according to rules or procedures adopted by the
13	Commissioner, an annual return that includes the name, address, taxpayer
14	identification number, and other information requested by the Commissioner
15	for each partner with Vermont source income in excess of \$500.00.
16	(3) A lower-tier pass-through entity of a publicly traded partnership may
17	request from the Commissioner an exemption from the compliance and
18	payment obligations specified in subsections (b) and (c) of this section. The
19	request for the exemption must be in writing and contain:

1	(A) the name, the address, and the account number or federal
2	identification number of each of the lower-tier pass-through entity's partners,
3	shareholders, members, or other owners; and
4	(B) information that establishes the ownership structure of the lower-
5	tier pass-through entity and the amount of Vermont source income.
6	(4) The Commissioner may request additional documentation before
7	granting an exemption to a lower-tier pass-through entity. As used in this
8	subsection, a "lower-tier pass-through entity" means a pass-through
9	entity for purposes of the Internal Revenue Code, which can include a
10	partnership, S corporation, disregarded entity, or limited liability company and
11	which allocates income, directly or indirectly, to a publicly traded partnership.
12	The exemption under subdivision (3) of this subsection shall only apply to
13	income allocated, directly or indirectly, to a publicly traded partnership.
14	(5) If granted, the exemption for the lower-tier pass-through entity shall
15	be effective for three years following the date the exemption is granted. At the
16	end of the three-year period, the lower-tier pass-through entity of a publicly
17	traded partnership shall submit a new exemption request to continue the
18	exemption. The Commissioner may revoke the exemption for the lower-tier
19	pass-through entity if the Commissioner determines that the lower-tier pass-
20	through entity is not satisfying its tax payment and reporting obligations to the

1	State with respect to income allocated, directly or indirectly, to nonresident
2	partners or members that are not publicly traded partnerships.
3	Sec. 10. 32 V.S.A. § 3102(e)(20) is added to read:
4	(20) To a publicly traded partnership as defined in subdivision
5	5920(h)(1) of this title and to lower-tier pass-through entities of a publicly
6	traded partnership as defined in subdivision 5920(h)(4) of this title for the
7	purpose of reviewing, granting, or denying exemption requests from the
8	requirements of section 5920 of this title.
9	* * * Meals and Rooms; Resale * * *
10	Sec. 11. 32 V.S.A. § 9202(10)(D)(iii) is added to read:
11	(iii) Food or beverage purchased for resale, provided that at the
12	time of sale the purchaser provides the seller an exemption certificate in a form
13	approved by the Commissioner. However, when the food or beverage
14	purchased for resale is subsequently resold, the subsequent purchase does not
15	come within this exemption unless the subsequent purchase is also for resale
16	and an exemption certificate is provided.
17	* * *

* * * Appeal to Superior Court; Security * * * 1 2 Sec. 12. 32 V.S.A. § 9275 is amended to read: 3 § 9275. APPEALS 4 Any person aggrieved by the decision of the Commissioner upon petition 5 provided for in section 9274 of this title may, within 30 days after notice 6 thereof from the Commissioner, appeal therefrom to the Superior Court of any 7 county in which such the person has a place of business subject to this chapter. 8 The appellant shall give security, approved by the Commissioner, conditioned 9 to pay the tax levied, if it remains unpaid, with interest and costs. Such 10 appeals shall be preferred cases for hearing on the docket of such Court. Such 11 Court The court may grant such relief as may be equitable and may order the 12 State Treasurer to pay to the aggrieved taxpayer the amount of such relief with 13 interest at the rate established pursuant to 32 V.S.A. § section 3108 of this title. 14 Upon all such appeals which may be that are denied, costs may be taxed 15 against the appellant at the discretion of the Court court but no costs shall be 16 taxed against the State. 17 Sec. 13. 32 V.S.A. § 9817 is amended to read: 18 § 9817. REVIEW OF COMMISSIONER'S DECISION 19 (a) Any aggrieved taxpayer may, within 30 days after any decision, order, 20 finding, assessment or action of the Commissioner made under this chapter, 21 appeal to the Washington Superior Court or the Superior Court of the county in

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which the taxpayer resides or has a place of business. The appellant shall give security, approved by the Commissioner, conditioned to pay the tax levied, if it remains unpaid, with interest and costs, as set forth in subsection (c) of this section.

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(c) Irrespective of any restrictions on the assessment and collection of deficiencies, the Commissioner may assess a deficiency after the expiration of the period specified in subsection (a) of this section, notwithstanding that a notice of appeal regarding the deficiency has been filed by the taxpayer, unless the taxpayer, prior to the time the notice of appeal is filed, has paid the deficiency, has deposited with the Commissioner the amount of the deficiency, or has filed with the Commissioner a bond (which may be a jeopardy bond) in the amount of the portion of the deficiency (including interest and other amounts) in respect of which review is sought and all costs and charges which may accrue against the taxpayer in the prosecution of the proceeding, including costs of all appeals, and with surety approved by the Superior Court, conditioned upon the payment of the deficiency (including interest and other amounts) as finally determined and all costs and charges. If as a result of a waiver of the restrictions on the assessment and collection of a deficiency any part of the amount determined by the Commissioner is paid after the filing of

1	the appeal bond, the bond shall, at the request of the taxpayer, be
2	proportionately reduced. [Repealed.]
3	* * * 529 Plans * * *
4	Sec. 14. 16 V.S.A. § 2876 is amended to read:
5	§ 2876. DEFINITIONS
6	As used in this subchapter, except where the context clearly requires
7	another interpretation:
8	* * *
9	(5) "Postsecondary education costs" means the qualified costs of tuition
10	and fees and other expenses for attendance at an institution of postsecondary
11	education, as defined in the Internal Revenue Code approved postsecondary
12	education institution.
13	(6) "Institution of postsecondary education" "Approved postsecondary
14	education institution" means an institution as defined in the Internal Revenue
15	Code a postsecondary education institution as defined in section 2822 of this
16	<u>title</u> .
17	* * *
18	Sec. 15. 16 V.S.A. § 2879a(a) is amended to read:
19	(a) Any participant may cancel a participation agreement at will, and any
20	return of funds from the participant's account shall be subject to terms and
21	conditions established by the Corporation, provided that any penalties levied as

- a result comply with the Internal Revenue Code's provisions of the Internal
- 2 <u>Revenue Code or Title 32</u> relating to Investment Plans.
- 3 Sec. 16. 16 V.S.A. § 2879e is amended to read:
- 4 § 2879e. CONSTRUCTION AND APPLICATION
- 5 This subchapter shall be construed liberally in order to effectuate its
- 6 legislative intent. The purposes of this subchapter and all provisions of this
- subchapter with respect to powers granted shall be broadly interpreted to
- 8 effectuate such intent and purposes and not as to any limitation of powers.
- 9 This subchapter shall be interpreted and enforced in a manner that shall
- achieve this public purpose in compliance with the applicable provisions of the
- 11 Internal Revenue Code, except to the extent the Code is inconsistent with the
- 12 provisions of 32 V.S.A. § 5825a.
- 13 Sec. 17. 32 V.S.A. § 5825a(b) is amended to read:
- 14 (b) A taxpayer who has received a credit under subsection (a) of this
- section shall repay to the Commissioner 10 percent of any distribution from a
- higher education investment plan account, which distribution is not excluded
- 17 from gross income in the taxable year under 26 U.S.C. § 529, as amended,
- used exclusively for costs of attendance at an approved postsecondary
- education institution as defined in 16 V.S.A. § 2822(6), up to a maximum of
- 20 the total credits received by the taxpayer under subsection (a) of this section
- 21 minus any amount of repayment of such credits in prior tax years. Repayments

1	under this subsection shall be subject to assessment, notice, penalty and
2	interest, collection, and other administration in the same manner as an income
3	tax under this chapter.
4	Sec. 18. REPORT ON NONPOSTSECONDARY USE OF HIGHER
5	EDUCATION INVESTMENT PLAN FUNDS
6	The Vermont Student Assistance Corporation shall report the amount of
7	assets withdrawn by participants from the Vermont Higher Education
8	Investment Plan in the preceding calendar year for education costs other than
9	postsecondary education costs, as well as the total amount of assets withdrawn
10	by participants in the preceding calendar year, to the House Committee on
11	Ways and Means and the Senate Committee on Finance annually on or before
12	January 15.
13	* * * Education Property Tax * * *
14	* * * Definitions; Homestead; Nonhomestead * * *
15	Sec. 19. 32 V.S.A. § 5401 is amended to read:
16	§ 5401. DEFINITIONS
17	As used in this chapter:
18	***
19	(7) "Homestead":
20	(A) "Homestead" means the principal dwelling and parcel of land
21	surrounding the dwelling, owned and occupied by a resident individual as the

1	individual's domicile or owned and fully leased on April 1, provided the
2	property is not leased for more than 182 days out of the calendar year, or for
3	purposes of the renter property tax adjustment under subsection 6066(b) of this
4	title, is rented and occupied by a resident individual as the individual's
5	domicile.
6	* * *
7	(E)(i) A homestead also includes a dwelling on the homestead parcel
8	owned by a farmer as defined under section 3752 of this title, and occupied as
9	the permanent residence by a parent, sibling, child, grandchild of the farmer, or
10	by a shareholder, partner, or member of the farmer-owner, provided that the
11	shareholder, partner, or member owns more than 50 percent of the farmer-
12	owner, including attribution of stock ownership of a parent, sibling, child, or
13	grandchild.
14	(ii) A homestead further includes the principal dwelling of a
15	widow or widower, provided the dwelling is owned by the estate of the
16	deceased spouse and it is reasonably likely that the dwelling will pass to the
17	widow or widower by law or valid will when the estate is settled.
18	* * *
19	(10) "Nonresidential Nonhomestead property" means all property
20	except:

* * *

1	Sec. 20. CONFORMING REVISIONS
2	When preparing the Vermont Statutes Annotated for publication, the Office
3	of Legislative Council shall make the following revisions throughout the
4	statutes as needed for consistency with Sec. 19 of this act, as long as the
5	revisions have no other effect on the meaning of the affected statutes:
6	(1) replace "nonresidential" with "nonhomestead" in Title 32 and Title
7	<u>16; and</u>
8	(2) make revisions that are substantially similar to those described in
9	subdivision (1) of this subsection in other titles of the Vermont Statutes
10	Annotated.
11	* * * Definitions; Household Income * * *
12	Sec. 21. 32 V.S.A. § 6061 is amended to read:
13	§ 6061. DEFINITIONS
14	The following definitions shall apply throughout this chapter unless the
15	context requires otherwise:
16	* * *
17	(4)(A) "Household income" means modified adjusted gross income, but
18	not less than zero, received in a calendar year by:
19	(A)(i) all persons of a household while members of that household;
20	and

1	(B)(ii) the spouse of the claimant who is not a member of that
2	household and who is not legally separated from the claimant in the taxable
3	year as defined in subdivision (9) of this section, unless the spouse is at least
4	62 years of age and has moved to a nursing home or other care facility with no
5	reasonable prospect of returning to the homestead.
6	(B) "Household income" does not mean:
7	(i) the modified adjusted gross income of the spouse or former
8	spouse of the claimant, if the claimant is legally separated or divorced from the
9	spouse in the taxable year as defined in subdivision (9) of this section;
10	(ii) the modified adjusted gross income of the spouse of the
11	claimant, if the spouse is subject to a protection order as defined in 15 V.S.A.
12	§ 1101(5) that is in effect at the time the claimant reports household income to
13	the Department of Taxes.
14	* * *
15	* * * Reappraisals * * *
16	Sec. 22. 32 V.S.A. § 4041a(b) is amended to read:
17	(b) If the Director of Property Valuation and Review determines that a
18	municipality's education grand list is at a common level of appraisal below
19	80 percent or above 110 percent, or has a coefficient of dispersion greater than
20	20, the municipality shall reappraise its education grand list properties. If the
21	Director orders a reappraisal, the Director shall send the municipality written

- notice of the decision. The municipality shall be given 30 days to contest the finding under procedural rules adopted by the Director, to develop a compliance plan, or both. If the Director accepts a proposed compliance plan
- 4 submitted by the municipality, the Director shall not order commencement of
- 5 the reappraisal until the municipality has had one year to carry out that plan.
- 6 * * * Common Level of Appraisal Districts * * *
- 7 Sec. 23. 32 V.S.A. § 5402 is amended to read:
- 8 § 5402. EDUCATION PROPERTY TAX LIABILITY
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- (b) The statewide education tax shall be calculated as follows:
- (1) The Commissioner of Taxes shall determine for each municipality the education tax rates under subsection (a) of this section, divided by the municipality's most recent common level of appraisal. The legislative body in each municipality shall then bill each property taxpayer at the homestead or nonresidential rate determined by the Commissioner under this subdivision, multiplied by the education property tax grand list value of the property, properly classified as homestead or nonresidential property and without regard to any other tax classification of the property. Tax Statewide education property tax bills shall show the tax due and the calculation of the rate determined under subsection (a) of this section, divided by the municipality's most recent common level of appraisal, multiplied by the current grand list

1	value of the property to be taxed. <u>Statewide education property tax bills shall</u>
2	also include language provided by the Commissioner pursuant to subsection
3	5405(g) of this title.
4	* * *
5	Sec. 24. 32 V.S.A. § 5403 is added to read:
6	§ 5403. ASSESSMENT DISTRICTS
7	(a) A municipality may vote at any regular or special meeting to merge
8	with one or more other municipalities in the same unified union school district
9	to create or join an assessment district for the purpose of standardized property
10	valuation.
11	(b) All municipalities merged into an assessment district shall agree to
12	implement standardized assessment procedures approved by the
13	Commissioner. The Commissioner shall provide written guidance to
14	municipalities relating to how they may receive approval under this subsection.
15	(c) A vote to merge with an assessment district shall be binding on a
16	municipality for five years. After five years, a municipality may vote at any
17	regular or special meeting to leave the assessment district, unless the
18	assessment district has consolidated all administrative functions.
19	(d) All municipalities within an assessment district shall be treated as a
20	single municipality for purposes of the equalization process established by
21	section 5405 of this chapter.

1	(e) Municipalities within an assessment district shall maintain independent
2	grand lists for municipal taxation, as well as independent processes for
3	grievances, property valuation appeals, abatements, grand list filing, use value
4	appraisal parcel management, reappraisal, and financial interaction with the
5	Agency of Education, unless the Commissioner, in writing, authorizes the
6	municipalities of an assessment district to consolidate all property valuation
7	administrative functions.
8	Sec. 25. 32 V.S.A. § 5405 is amended to read:
9	§ 5405. DETERMINATION OF EQUALIZED EDUCATION PROPERTY
10	TAX GRAND LIST AND COEFFICIENT OF DISPERSION
11	
	* * *
12	(g) The Commissioner shall provide to municipalities for the front of
12 13	
	(g) The Commissioner shall provide to municipalities for the front of
13	(g) The Commissioner shall provide to municipalities for the front of property tax bills the district homestead property tax rate before equalization,
13 14	(g) The Commissioner shall provide to municipalities for the front of property tax bills the district homestead property tax rate before equalization, the nonresidential tax rate before equalization, and the calculation process that
131415	(g) The Commissioner shall provide to municipalities for the front of property tax bills the district homestead property tax rate before equalization, the nonresidential tax rate before equalization, and the calculation process that creates the equalized homestead and nonresidential tax rates. The

1	* * * Distribution of Property Tax Adjustments * * *
2	Sec. 26. 32 V.S.A. § 6066a is amended to read:
3	§ 6066a. DETERMINATION OF PROPERTY TAX ADJUSTMENTS
4	(a) Annually, the Commissioner shall determine the property tax
5	adjustment amount under section 6066 of this title, related to a homestead
6	owned by the claimant. The Commissioner shall notify the municipality in
7	which the housesite is located of the amount of the property tax adjustment for
8	the claimant for homestead property tax liabilities, on July 1 for timely filed
9	claims and on November 1 for late claims filed by October 15 on a monthly
10	<u>basis</u> . The tax adjustment of a claimant who was assessed property tax by a
11	town which that revised the dates of its fiscal year, however, is the excess of
12	the property tax which that was assessed in the last 12 months of the revised
13	fiscal year, over the adjusted property tax of the claimant for the revised fiscal
14	year as determined under section 6066 of this title, related to a homestead
15	owned by the claimant.
16	* * *
17	(f) Property tax bills.
18	(1) For taxpayers and amounts stated in the notice to towns on or
19	before July 1, municipalities shall create and send to taxpayers a homestead
20	property tax bill, instead of the bill required under subdivision 5402(b)(1) of
21	this title, providing the total amount allocated to payment of homestead

1 education property tax liabilities and notice of the balance due.

Municipalities shall apply the amount allocated under this chapter to current-year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes. Notwithstanding section 4772 of this title, if a town issues a corrected bill as a result of the November 1 notice sent by the Commissioner under subsection (a) of this section, issuance of such the corrected new bill does not extend the time for payment of the original bill, nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid current year current-year taxes, interest, or penalties and no past year past-year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

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(g) Annually, on August 1 and on November 1, the The Commissioner of Taxes shall pay monthly to each municipality the amount of property tax adjustment of which the municipality was last notified on July 1 for the August 1 transfer, or November 1 for the November 1 transfer, related to municipal property tax on homesteads within that municipality, as determined by the Commissioner of Taxes.

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2	* * * Definitions * * *
3	Sec. 27. 32 V.S.A. § 3752 is amended to read:
4	§ 3752. DEFINITIONS
5	As used in this subchapter:
6	* * *
7	(5) "Development" means, for the purposes of determining whether a
8	land use change tax is to be assessed under section 3757 of this chapter, the
9	construction of any building, road, or other structure, or any mining,
10	excavation, or landfill activity. "Development" also means the subdivision of
11	a parcel of land into two or more parcels, regardless of whether a change in use
12	actually occurs, where one or more of the resulting parcels contains less than
13	25 acres each; but if subdivision is solely the result of a transfer to one or more
14	of a spouse, ex-spouse in a divorce settlement, parent, grandparent, child,
15	grandchild, niece, nephew, or sibling of the transferor, or to the surviving
16	spouse of any of the foregoing, then "development" shall not apply to any

portion of the newly created parcel or parcels which qualifies that qualify for

enrollment and for which, within 30 days following the transfer, each

transferee or transferor applies for reenrollment in the use value appraisal

appraised under this chapter at use value in a manner contrary to a forest or

program. "Development" also means the cutting of timber on property

* * * Use Value Appraisals * * *

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conservation management plan as provided for in subsection 3755(b) of this title during the remaining term of the plan, or contrary to the minimum acceptable standards for forest management if the plan has expired; or a change in the parcel or use of the parcel in violation of the conservation management standards established by the Commissioner of Forests, Parks and Recreation. "Development" also means notification of the Director by the Secretary of Agriculture, Food and Markets under section 3756 of this title that the owner or operator of agricultural land or a farm building is violating the water quality requirements of 6 V.S.A. chapter 215 or is failing to comply with the terms of an order issued under 6 V.S.A. chapter 215, subchapter 10. The term "development" shall not include the construction, reconstruction, structural alteration, relocation, or enlargement of any building, road, or other structure for farming, logging, forestry, or conservation purposes, but shall include the subsequent commencement of a use of that building, road, or structure for other than farming, logging, or forestry purposes.

16 ***

(10) "Owner" means the person who is the owner of record of any land or the lessee under a perpetual lease as defined in subsection 3610(a) of this title provided the term of the lease exceeds is for a minimum of 999 years exclusive of renewals. When enrolled land is mortgaged, the mortgagor shall be deemed the owner of the land for the purposes of this subchapter, until the

1	mortgagee takes possession, either by voluntary act of the mortgagor or
2	foreclosure, after which the mortgagee shall be deemed the owner.
3	* * *
4	* * *Contingent Lien* * *
5	Sec. 28. 32 V.S.A. § 3757(f) is amended to read:
6	(f)(1) When the application for use value appraisal of agricultural and
7	forestland has been approved by the State, the State shall record a notice of
8	contingent lien against the enrolled land in the land records of the municipality
9	that shall constitute a lien to secure payment of the land use change tax to the
10	State upon development. The landowner shall bear the recording cost. The
11	notice of contingent lien shall constitute notice to all interested parties that a
12	lien against the enrolled land shall be created upon the recording in the land
13	records of a determination that development of that land as defined in
14	section 3752 of this chapter has occurred. The lien created by the recording of
15	the notice of development shall be for the amount of the land use change tax
16	then due, as specified in the notice of development. A lien recorded in the land
17	records of a municipality under this section on or after April 17, 1978 shall be
18	deemed to be a contingent lien.
19	(2) The land use change tax and any obligation to repay benefits paid in
20	error shall not constitute a personal debt of the person liable to pay the same,
21	but shall constitute a lien which that shall run with the land. All of the

1	administrative provisions of chapter 151 of this title, including those relating to
2	collection and enforcement, shall apply to the land use change tax. The
3	Director shall release the lien when notified that:
4	(A) the land use change tax is paid;
5	(B) the land use change tax is abated pursuant to this section;
6	(C) the land use change tax is abated pursuant to subdivision 3201(5)
7	of this title;
8	(D) the land is exempt from the levy of the land use change tax
9	pursuant to this section and the owner requests release of the lien; or
10	(E) the land is exempt from the levy of the land use change tax
11	pursuant to this section and the land is developed.
12	(2)(3) Nothing in this subsection shall be construed to allow the
13	enrollment of agricultural land or managed forestland without a lien to secure
14	payment of the land use change tax. Any fees related to the release of a lien
15	under this subsection shall be the responsibility of the owner of the land
16	subject to the lien.
17	* * * Insurance Taxes * * *
18	Sec. 29. 32 V.S.A. § 8557 is amended to read:
19	§ 8557. VERMONT FIRE SERVICE TRAINING COUNCIL
20	(a)(1) Sums for the expenses of the operation of training facilities and
21	curriculum of the Vermont Fire Service Training Council not to exceed

- \$1,200,000.00 per year shall be paid to the Fire Safety Special Fund created by 20 V.S.A. § 3157 by insurance companies, including surplus lines companies, writing fire, homeowners multiple peril, allied lines, farm owners multiple peril, commercial multiple peril (fire and allied lines), private passenger and commercial auto, and inland marine policies on property and persons situated within the State of Vermont within 30 days after notice from the Commissioner of Financial Regulation of such estimated expenses. Captive companies shall be excluded from the effect of this section.
 - (2) The Commissioner shall annually, on or before July 1, apportion such charges among all such companies and shall assess them for the same charges on a fair and reasonable basis as a percentage of their gross direct written premiums on such insurance written during the second prior calendar year on property situated in the State. The Department of Taxes shall collect all assessments under this section.
 - (3) An amount not less than \$100,000.00 shall be specifically allocated to the provision of what are now or formerly referred to as Level I, units I, II, and III (basic) courses for entry level entry-level firefighters.
 - (4) An amount not less than \$150,000.00 shall be specifically allocated to the Emergency Medical Services Special Fund established under 18 V.S.A. \$ 908 for the provision of training programs for emergency medical technicians, advanced emergency medical technicians, and paramedics.

1	(5) The Department of Health shall present a plan to the Joint Fiscal
2	Committee which that shall review the plan prior to the release of any funds.
3	(b) All administrative provisions of chapter 151 of this title, including those
4	relating to the collection and enforcement of the income tax by the
5	Commissioner, shall apply to this section.
6	Sec. 30. 8 V.S.A. § 5034 is amended to read:
7	§ 5034. QUARTERLY REPORTS; SUMMARY OF EXPORTED
8	BUSINESS
9	On or before the end of each month next following each calendar quarter,
10	each surplus lines broker shall file with the Commissioner of Taxes, on forms
11	prescribed by him or her, a verified report of all surplus lines insurance
12	transacted during the preceding calendar quarter.
13	Sec. 31. 8 V.S.A. § 5035 is amended to read:
14	§ 5035. SURPLUS LINES TAX
15	* * *
16	(b) At the time of filing his or her quarterly report with the Commissioner
17	of Taxes, each surplus lines broker shall file a duplicate report and remit the
18	premium tax due thereon to the Commissioner of Taxes.
19	(c) If the tax collectible by a surplus lines broker under this section is not
20	paid within the time prescribed, it shall be recoverable in a suit brought by the
21	Commissioner against the surplus lines broker and the surety on the bond filed

1	under section 4800 of this title The Commissioner of Taxes shall collect the tax
2	imposed by this section. All administrative provisions of 32 V.S.A.
3	chapter 151, including those relating to the collection and enforcement of the
4	income tax by the Commissioner of Taxes, shall apply to this section.
5	Sec. 32. 8 V.S.A. § 5036 is amended to read:
6	§ 5036. DIRECT PLACEMENT OF INSURANCE
7	(a) Every insured and every self-insurer in this State for whom this is their
8	home state who procures or causes to be procured or continues or renews
9	insurance from any non-admitted insurer, covering a subject located or to be
10	performed within this State, other than insurance procured through a surplus
11	lines broker pursuant to this chapter, shall, before March 1 of the year after the
12	year in which the insurance was procured, continued or renewed, file a written
13	report with the Commissioner of Taxes on forms prescribed and furnished by
14	the Commissioner of Taxes. The report shall show:
15	(1) the name and address of the insured or insureds;
16	(2) the name and address of the insurer or insurers;
17	(3) the subject of the insurance;
18	(4) a general description of the coverage;
19	(5) the amount of premium currently charged for it; and
20	(6) such additional pertinent information as may be reasonably
21	requested by the Commissioner of Taxes.

1	* * *
2	(d) A tax at the rate of three percent of the gross amount of premium, less
3	any return premium, in respect of risks located in this State, shall be levied
4	upon an insured who procures insurance subject to subsection (a) of this
5	section. Before March 1 of the year after the year in which the insurance was
6	procured, continued, or renewed, the insured shall remit to the Commissioner
7	of Taxes the amount of the tax. The Commissioner before June 1 of each year
8	shall certify and transmit to the Commissioner of Taxes the sums so collected.
9	(e) The tax shall be collectible from the insured by civil action brought by
10	the Commissioner. All administrative provisions of 32 V.S.A. chapter 151,
11	including those relating to the collection and enforcement of the income tax by
12	the Commissioner of Taxes, shall apply to this section.
13	* * * Repeals * * *
14	Sec. 33. REPEALS
15	The following sections in Title 32 are repealed:
16	(1) § 3777 (land use change tax lien subordination).
17	(2) § 5930z (business solar energy tax credit).
18	(3) § 8661 (taxation of electric generating plants).

1	Sec. 34. EFFECTIVE DATES
2	This act shall take effect on passage, except:
3	(1) Notwithstanding 1 V.S.A. § 214, Secs. 5 (solar energy investment
4	tax credit), 6–7 (annual link-up to federal statutes), 8 (minimum corporate
5	income tax), 14-18 (Vermont higher education investment plan credit), and
6	33(2) (repeal of business solar energy tax credit) shall take effect retroactively
7	on January 1, 2019 and apply to taxable years beginning on January 1, 2018
8	and thereafter.
9	(2) Secs. 11 (taxable meal resale) shall take effect on July 1, 2019.
10	(3) Secs. 19–28 (property tax sections) and 33(1) (repeal of land use
11	change tax lien subordination) shall take effect on July 1, 2019 and apply to
12	grand lists lodged after that date.